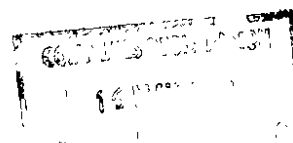


LOR LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 1987



LCR LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 31st December 1987.

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 loss on ordinary activities after taxation amounted to £1,310. 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 19 FEB 1988

REPORT OF THE AUDITORS TO THE MEMBERS OF IOR LIMITED

We have audited the financial statements set out on pages 3 to 6 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 1987 and of the loss for the year then ended and comply with the Companies Act 1985.

Robert Haskins Sell

DELOITTE HASKINS & SELLS
Chartered Accountants.

London

Date

9 FEB 1988

LOR LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1987

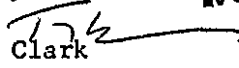

	<u>Note</u>	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
ADMINISTRATIVE EXPENSES			
Auditors' remuneration		-	(300)
Other		<u>(1,310)</u>	<u>(165)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,310)	(465)
TAXATION	2	<u>-</u>	<u>1,262</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(1,310)</u>	<u>797</u>

LOR LIMITED

BALANCE SHEET AT 31ST DECEMBER 1987

	<u>Notes</u>	<u>1987</u> £	<u>1986</u> £
CURRENT ASSETS			
DEBTORS - Amounts falling due within one year			
Amounts owed by group companies:			
Mercantile Credit Company Limited		<u>10,889</u>	<u>12,499</u>
		<u>10,889</u>	<u>12,499</u>
CREDITORS - Amounts falling due within one year			
Other creditors		<u>-</u>	<u>300</u>
		<u>-</u>	<u>300</u>
NET CURRENT ASSETS BEING ALSO TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>£ 10,889</u>	<u>£ 12,199</u>
CAPITAL AND RESERVES			
Called up share capital	4	11,400	11,400
Profit and loss account	5	<u>(511)</u>	<u>799</u>
		<u>£ 10,889</u>	<u>£ 12,199</u>

Approved by the Board 19 FEB 1988

T.M. Clark )
F.A. Silcock ) Directors

LOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1987

1. ACCOUNTING POLICY

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

2. TAXATION

	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
The tax credit in the profit and loss account represents:		
UK Corporation Tax		
Prior year adjustment in respect of changing corporation tax rates	-	1,262
	-	1,262

The Inland Revenue is currently disputing the ability of the Company to offset Advance Corporation Tax of £8,880,000 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.

3. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year (1986 - Nil).

4. CALLED UP SHARE CAPITAL

	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
Authorised		
5,700 Preferred 'A' Ordinary Shares of £1 each	5,700	5,700
8,000 Ordinary Shares of £1 each	8,000	8,000
	<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	5,700	5,700
	<u>£11,400</u>	<u>£11,400</u>

LOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1987 (continued)

5. PROFIT AND LOSS ACCOUNT

	<u>1987</u>	<u>1986</u>
	£	£
At 1st January	799	2
Retained (loss)/profit for the year	<u>(1,310)</u>	<u>797</u>
At 31st December	<u>£ (511)</u>	<u>£ 799</u>

6. ULTIMATE HOLDING COMPANY

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