

REPORT OF THE AUDITORS TO THE DIRECTORS OF

1402330

FACTFOCUS LIMITED IN ACCORDANCE WITH

PARAGRAPH 10 OF SCHEDULE 8 OF THE COMPANIES ACT 1985

In our opinion the directors are entitled under Sections 247-249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 30th June 1989 and the modified accounts on pages 2 to 4 have been properly prepared in accordance with Schedule 8 of that Act.

On 23rd March 1990, we reported as auditors of Factfocus Limited to the members on the company's financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 30th June 1989 and our audit opinion was as follows:-

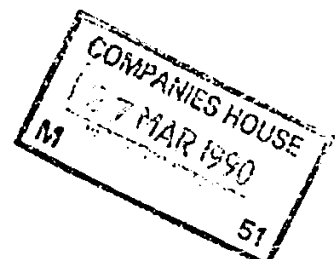
"We have audited the financial statements on pages 4 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th June 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Date: 23rd March 1990

Smith Partnership

Chartered Accountants,
Midland Bank Chambers,
26 Cross Street,
Manchester, M2 1ND.

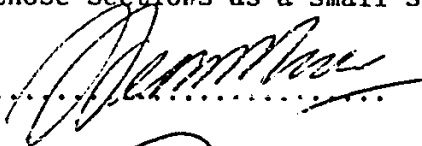


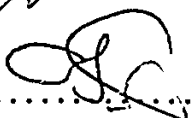
FACTFOCUS LIMITED

MODIFIED BALANCE SHEET AS AT 30TH JUNE 1989

	Notes	<u>1989</u>	<u>1988</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets		3,394	5,385
Investments		262,516	479,642
		<u>265,910</u>	<u>484,427</u>
<u>CURRENT ASSETS</u>			
Debtors	7,881,392	5,998,124	
Other Investments	2,132,924	836,334	
Cash at Bank & in Hand	-	282,596	
	<u>10,014,316</u>	<u>7,117,054</u>	
<u>CREDITORS: : Amounts falling due within one year</u>	<u>5,851,987</u>	<u>4,002,923</u>	
<u>NET CURRENT ASSETS</u>		<u>4,162,329</u>	<u>3,114,131</u>
		<u>4,428,239</u>	<u>3,598,558</u>
<u>CREDITORS: : Amounts falling due after more than one year</u>		<u>952,558</u>	<u>952,558</u>
		<u>3,475,681</u>	<u>2,646,000</u>
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	2	200,000	200,000
Profit & Loss Account		3,275,681	2,446,000
		<u>3,475,681</u>	<u>2,646,000</u>
		=====	=====

We have relied on Sections 247-249 of the Companies Act 1985 as entitling us to deliver modified accounts on the ground that the company is entitled to the benefit of those sections as a small sized company.

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Directors

Date: 23rd March 1990

FACTFOCUS LIMITED

NOTES TO THE MODIFIED FINANCIAL STATEMENTSFOR THE YEAR ENDED 30TH JUNE 19891. ACCOUNTING POLICIESa) Basis of Accounting

The accounts have been prepared under the historical cost convention.

b) Interest Received

Interest on money lending agreements entered into with customers is credited to the Profit and Loss Account on a straight line basis.

c) Tangible Fixed Assets

Depreciation is provided on fixed assets at rates calculated to write off the cost less estimated residual value over the useful life as follows:-

Motor Vehicles	25% Reducing Balance
Office Equipment	20% On Cost

No depreciation has been provided on investment properties.

d) Deferred Taxation

Deferred taxation is provided at current rates where it is thought probable that a liability will arise in the foreseeable future.

2. CALLED UP SHARE CAPITAL

	<u>1989</u>	<u>1988</u>
<u>Authorised</u>	£	£
200,000 Ordinary Shares of £1 Each	200,000	200,000
	=====	=====
<u>Allotted, Issued & Fully Paid</u>		
200,000 Ordinary Shares of £1 Each	200,000	200,000
	=====	=====

FACTFOCUS LIMITEDNOTES TO THE MODIFIED FINANCIAL STATEMENTSFOR THE YEAR ENDED 30TH JUNE 1989(Continued)3. TRANSACTIONS INVOLVING DIRECTORS

- a) The Moser family have material interests in Jerrold Manufacturing Company (Textiles) Limited, Dortex Limited, Blemain Finance Limited, Basilgrove Limited and Lancashire Mortgage Corporation Limited.
- b) Factfocus Limited, Blemain Finance Limited and Lancashire Mortgage Corporation Limited trade from the same premises and share overheads.
- c) Amounts due from Associated Companies

	<u>1989</u>	<u>1988</u>
	£	£
Jerrold Manufacturing Company (Textiles) Ltd.	369,600	369,600
Lancashire Mortgage Corporation Ltd.	3,291,236	699,868
Basilgrove Ltd.	58,750	58,750
Blemain Finance Ltd.	343,214	-
	<u>4,062,800</u>	<u>1,128,218</u>
	=====	=====

d) Amounts owed to Associated Companies

	<u>1989</u>	<u>1988</u>
	£	£
Dortex Ltd.	235,000	235,000
Blemain Finance Ltd.	-	63,296
	<u>235,000</u>	<u>298,296</u>
	=====	=====

4. LOANS TO PARTICIPATORS

	<u>1989</u>	<u>1988</u>
	£	£
During the year the following monies were lent interest free to Mrs. D.L. Moser and were outstanding at the year end	126,743	126,743
	=====	=====

5. CONTINGENT LIABILITY

The company has guaranteed a loan made to a customer amounting to £605,000.

6. Creditors includes a bank overdraft of £4,479,136 (1988 - £2,715,939) secured by a mortgage debenture on the company's assets.