
Lancashire Mortgage Corporation Limited

Report and Financial Statements

◆ *18 months ended 30 June 1994* ◆

COMPANY NO: 2058813



LANCASHIRE MORTGAGE CORPORATION LIMITED

CONTENTS

	Page
Company information	1
Report of the directors	2 - 3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Reconciliation of movements in shareholders' funds	6
Balance sheet	7
Notes to the financial statements	8 - 13

LANCASHIRE MORTGAGE CORPORATION LIMITED

COMPANY INFORMATION

Directors	H N Moser A J Grant C J Punshon (appointed 29 July 1994)
Secretary	K Barnacle
Registered office	Bracken House Charles Street Manchester M1 7BD
Registered number	2058813
Auditors	Robson Rhodes Chartered Accountants Colwyn Chambers 19 York Street Manchester M2 3BA
Bankers	National Westminster Bank Plc 59 Hanging Ditch Manchester M4 3ER

LANCASHIRE MORTGAGE CORPORATION LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the 18 month period ended 30 June 1994.

Principal activity

The principal activity of the company continued to be that of financiers.

Change of accounting reference date

The company's accounting reference date was changed during the period to 30 June to coincide with that of the ultimate parent company.

Business review and future developments

The directors consider the result for the 18 month period to be satisfactory and look forward to the future with confidence.

Results and dividend

The results for the period are set out in detail on page 5.

The directors do not recommend the payment of a dividend (1992: £Nil) leaving £1,134,097 to be transferred to reserves.

Fixed assets

The movement in the tangible fixed assets account is set out in Note 7 to the financial statements.

Directors

The directors who served during the period and at the date of this report are shown on page 1.

Mr C J Punshon was appointed a director on 29 July 1994.

Mr H N Moser is a director of the company's parent company, Blemain Group plc and as such, his interest in the share capital of that company is disclosed in its directors report.

None of the other directors have an interest in the share capital of the company.

No director has, or had any material interest in any contract or agreement entered into by the company during the period.

Auditors

Robson Rhodes are willing to continue in office and are deemed to be reappointed in accordance with the elective resolution currently in force.

LANCASHIRE MORTGAGE CORPORATION LIMITED

REPORT OF THE DIRECTORS

(Continued)

Statement of directors' responsibilities

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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable 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 report of the directors was approved by the Board on 13 April 1995 and signed on its behalf by:



Keith Barnacle
Secretary

LANCASHIRE MORTGAGE CORPORATION LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF LANCASHIRE MORTGAGE CORPORATION LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgments 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 affairs of the company as at 30 June 1994 and of its profit for the 18 month period then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Manchester
13 April 1995

LANCASHIRE MORTGAGE CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

for the 18 month period ended 30 June 1994

	Note	18 months ended 30 June 1994 £	Year ended 31 December 1992 £
Turnover: continuing operations	1 & 2	2,343,428	1,906,751
Administrative expenses		(222,283)	(1,186,760)
		<hr/>	<hr/>
Operating profit: continuing operations	5	2,121,145	719,991
Interest receivable	3	993	342
Interest payable	4	(378,041)	(279,847)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,744,097	440,486
Tax on profit on ordinary activities	6	(610,000)	(170,000)
		<hr/>	<hr/>
Retained profit for the period/year	13	1,134,097	270,486
		<hr/>	<hr/>

The company made no recognised gains or losses other than as disclosed above.

LANCASHIRE MORTGAGE CORPORATION LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the 18 month period ended 30 June 1994

	18 months ended 30 June 1994 £	Year ended 31 December 1992 £
Total recognised gains	1,134,097	270,486
Opening shareholders' funds	2,287,916	2,017,430
	<hr/>	<hr/>
Closing shareholders' funds	3,422,013	2,287,916
	<hr/>	<hr/>

LANCASHIRE MORTGAGE CORPORATION LIMITED

BALANCE SHEET at 30 June 1994

	Note	30 June 1994 £	31 December 1992 £
Fixed assets			
Tangible assets	7	1,753	-
		<hr/>	<hr/>
Current assets			
Debtors due after one year	8	5,410,857	5,675,638
Debtors due within one year	8	5,600,805	3,656,398
Cash at bank and in hand		151	19,214
		<hr/>	<hr/>
		11,011,813	9,351,250
Creditors: Amounts falling due within one year	9	(6,289,960)	(5,718,010)
		<hr/>	<hr/>
Net current assets		4,721,853	3,633,240
		<hr/>	<hr/>
Total assets less current liabilities		4,723,606	3,633,240
Creditors: Amounts falling due after more than one year	10	(1,301,593)	(1,345,324)
		<hr/>	<hr/>
Net assets		3,422,013	2,287,916
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	3,422,011	2,287,914
		<hr/>	<hr/>
Equity shareholders' funds		3,422,013	2,287,916
		<hr/>	<hr/>

The financial statements were approved by the Board on 13 April 1995 and signed on its behalf by:


Henry Neville Moser
Director

LANCASHIRE MORTGAGE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1994

1. ACCOUNTING POLICIES

Basis of accounting

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it qualifies as a small company.

Turnover

Turnover consists of interest received and related commissions on money lending agreements. The interest credit to the profit and loss account is calculated on a straight line basis pro rata to repayments.

Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rate used is:

Computer equipment 33⅓% on cost

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Advance corporation tax on dividends paid and provided for in the period is not written off if UK corporation tax liability for the period up to the next balance sheet date is expected to be sufficient to absorb this tax.

2. TURNOVER

Turnover and profit before taxation relate to the one principal activity of the company.

3. INTEREST RECEIVABLE

	18 months ended 30 June 1994 £	Year ended 31 December 1992 £
Interest on bank deposit account	993	342

LANCASHIRE MORTGAGE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1994

4. INTEREST PAYABLE

	18 months ended 30 June 1994 £	Year ended 31 December 1992 £
Interest on bank overdraft	103,769	23,125
Interest on other loans repayable by instalments within five years	241,737	248,722
Other interest	32,535	8,000
	<u>378,041</u>	<u>279,847</u>

5. OPERATING PROFIT

Operating profit is arrived at after (crediting)/charging:

	18 months ended 30 June 1994 £	Year ended 31 December 1992 £
Bad debt (credit)/charge	(41,555)	1,087,720
Auditors remuneration	8,250	7,000
Depreciation	151	-
Directors' remuneration	-	-
	<u></u>	<u></u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	18 months ended 30 June 1994 £	Year ended 31 December 1992 £
Corporation tax at 33% (1992: 33%)	610,000	140,000
Adjustment to prior period	-	30,000
	<u>610,000</u>	<u>170,000</u>

LANCASHIRE MORTGAGE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 June 1994****7. TANGIBLE FIXED ASSETS**

	Computer equipment £
Cost	
At 1 January 1993	-
Capital expenditure	1,904
	<hr/>
At 30 June 1994	1,904
	<hr/>
Depreciation	
At 1 January 1993	-
Charged in period	151
	<hr/>
At 30 June 1994	151
	<hr/>
Net book value	
At 30 June 1994	1,753
	<hr/> <hr/>

8. DEBTORS

	30 June 1994 £	31 December 1992 £
Trade debtors falling due within one year	4,894,346	3,350,006
Prepayments	6,051	726
Other debtor	-	708
Amount owed by group undertakings: fellow subsidiaries	97,958	-
Amount owed by related companies (Note 14)	602,450	304,958
	<hr/>	<hr/>
Trade debtors falling due after more than one year	5,600,805	3,656,398
	5,410,857	5,675,638
	<hr/>	<hr/>
	11,011,662	9,332,036
	<hr/> <hr/>	<hr/> <hr/>

LANCASHIRE MORTGAGE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1994

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 1994 £	31 December 1992 £
Secured loans (note 10)	725,782	850,489
Bank overdraft (secured)	1,547,543	248,076
	<hr/>	<hr/>
Debt due within one year	2,273,325	1,098,565
Trade creditors	12,376	-
Corporation tax	565,453	550,799
Accruals	71,197	41,313
Other creditors	16,224	139,350
Amount owed to related company (note 14)	24,247	-
Amounts owed to group undertakings: fellow subsidiaries	3,327,138	3,887,983
	<hr/>	<hr/>
	6,289,960	5,718,010
	<hr/>	<hr/>

The bank overdraft is secured by way of a mortgage debenture over all of the company's assets.

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

	30 June 1994 £	31 December 1992 £
Secured loans repayable within five years by instalments	2,027,375	2,195,813
Less: Due within one year	(725,782)	(850,489)
	<hr/>	<hr/>
	1,301,593	1,345,324
	<hr/>	<hr/>

The loans are secured on book debts included in debtors above at a value of £4,627,228 (1992: £4,647,443).

LANCASHIRE MORTGAGE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 June 1994****11. DEFERRED TAXATION**

Deferred taxation comprises:

	Amounts provided		Amounts not provided	
	30 June	31 December	30 June	31 December
	1994	1992	1994	1992
	£	£	£	£
Accelerated capital allowances	Nil	Nil	Nil	Nil

12. SHARE CAPITAL

	30 June	31 December
	1994	1992
	£	£
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid 2 ordinary shares of £1 each	2	2

13. PROFIT AND LOSS ACCOUNT

	£
At 1 January 1993	2,287,914
Retained profit	1,134,097
At 30 June 1994	3,422,011

LANCASHIRE MORTGAGE CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 June 1994

14. RELATED COMPANY

The following balances are with companies which are related by way of common directors. Lancashire Mortgage Corporation Limited has no direct shareholding in the company.

	30 June 1994 £	31 December 1992 £
Debtor		
Tennisview Limited	433,650	304,958
Regency Securities & Investments Limited	168,800	-
	<hr/>	<hr/>
	602,450	304,958
	<hr/>	<hr/>
Creditor		
Tennisview Limited	24,247	-
	<hr/>	<hr/>

15. CAPITAL COMMITMENTS

Capital expenditure commitments were £Nil at 30 June 1994 (31 December 1992: £Nil)

16. CONTINGENT LIABILITY

The company has guaranteed the bank overdrafts of certain of its fellow subsidiary undertakings. At 30 June 1994 these totalled £5,994,960 (31 December 1992 £Nil).

17. ULTIMATE PARENT COMPANY

With effect from 29 June 1994, the company became a wholly owned subsidiary undertaking of Blemain Group plc, Co No. 2939389 a company registered in England.