

LEEK UNITED HOME LOANS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 1996

REGISTERED NUMBER: 2277333



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LEEK UNITED HOME LOANS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 December 1996.

DIRECTORS

The directors who served during the year were:

P P Bowcock
E W Hodgkinson

REVIEW OF THE BUSINESS

During the year the company has not traded, has not incurred any liabilities and consequently has incurred neither profit nor loss.

On 29 February 1996 the company changed its name from Leek United Enterprises Limited to Leek United Home Loans Limited.

It is intended that the company will commence trading on 1 February 1997.

The principal activities of the company will be to acquire, hold and dispose of debts secured on land, to make advances on the security of such land and to acquire, hold and dispose of mortgage finance rights.

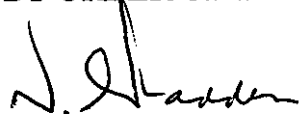
DIRECTORS INTEREST

No director has any beneficial interest in the share capital of the company during the year ended 31 December 1996.

AUDITORS

A resolution proposing the re-appointment of Coopers & Lybrand as auditors to the company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



N McFADDEN
Secretary

23 JANUARY 1997

LEEK UNITED HOME LOANS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law 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 those financial statements, the directors are required to:-

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BY ORDER OF THE BOARD



P P BOWCOCK
Chairman

23 JANUARY 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF LEEK UNITED HOME LOANS LIMITED

We have audited the financial statements on page 4.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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.

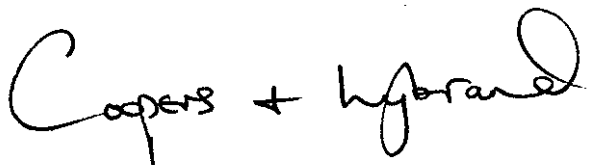
BASIS OF OPINION

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 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 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 irregularities 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 the company's affairs at 31 December 1996 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Coopers & Lybrand', is written over a horizontal line.

COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
Birmingham

23 JANUARY 1997

LEEK UNITED HOME LOANS LIMITED

BALANCE SHEET

At 31 December 1996

	1996	1995
	£	£
Cash at Bank and in Hand	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>
	£	£
Called up Share Capital		
Authorised, issued and fully paid:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

NOTES:

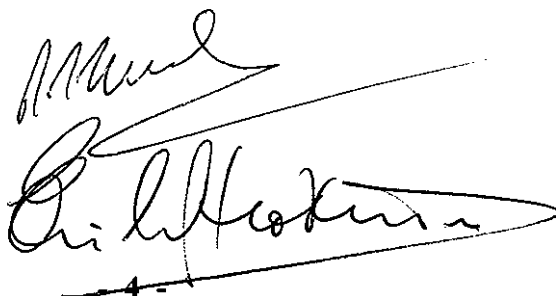
1. Accounting policies - Basis of accounting.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under the historical cost convention.

2. During the year the company has not traded, has not incurred any liabilities and, consequently, has made neither profit nor loss.
3. None of the directors received any emoluments in respect of their services to the company.
4. At 31 December 1996 the company was a direct wholly owned subsidiary of Leek United Building Society.

P P BOWCOCK)
) Directors
E W HODKINSON)

23 JANUARY 1997



Handwritten signatures of P P Bowcock and E W Hodgkinson, with a horizontal line drawn across them.