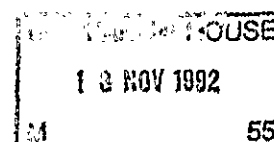


2414417

RDM FACTORS LIMITED
REPORT AND ACCOUNTS
PERIOD ENDED 31ST DECEMBER 1991



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RDM FACTORS LIMITED

INCORPORATED ON 17TH AUGUST 1989

COMPANY NUMBER: 2414417

CHAIRMAN

D A Marsden

DIRECTORS

J M Bush - Managing
D A Marsden

COMPANY SECRETARY

D J Davies

REGISTERED OFFICE

Fairfax House
461-465 North End Road
London SW6 1WZ

AUDITORS

Place Flight
Chartered Accountants
and Registered Auditors
Glenister House
14 King Street
East Grinstead
West Sussex

BANKERS

TSB Plc
33 Market Place
Reading
Berkshire

Hill Samuel Commercial Finance Ltd
Boston House
The Little Green
Richmond
Surrey

Allied Irish Commercial Finance Plc
Bank Centre Britain
Belmont Road
Uxbridge
Middlesex

RDM FACTORS LIMITEDDIRECTORS' REPORT

The Directors submit their report and accounts for the eighteen months ended 31st December 1991.

The Company's principal activities are that of the provision of debt factoring and other related financial services.

The Directors do not recommend the payment of a dividend and propose that the loss for the year after taxation of £10306 be carried forward to reserves.

The Directors consider the progress made during the period was satisfactory with the business continuing to grow and becoming profitable. Since 31st December 1991, profitability has improved and the Directors are confident that all trading losses previously generated have been recovered.

It is proposed that the equity base of the Company will be further increased by capitalising a loan of £50000 which has been made to the Company since the balance sheet date.

Changes in the fixed assets of the Company are detailed in the notes to the accounts.

Directors of the Company during the year and their interests in the share capital of the Company were as follows:

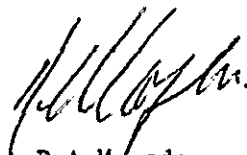
	<u>Ordinary Shares of One Pound Each</u>	
	<u>31st December 1991</u>	<u>30th June 1990</u>
J M Bush	250	250

D A Marsden is a Director of Rennie Davies & Marsden Holdings Limited which holds 700 ordinary shares in the Company.

There have been no changes in these interests since the balance sheet date.

In accordance with the Companies Act 1985, a resolution for the reappointment of Place Flight, Chartered Accountants and Registered Auditors as Auditors of the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



D A Marsden - Chairman

3rd November 1992

AUDITORS' REPORT TO THE MEMBERS OF
RDM FACTORS LIMITED

We have audited the financial statements on pages 4 to 10.

Our audit was conducted in accordance with approved Auditing Standards and we have carried out such procedures as were considered appropriate having regard to the matters referred to below.

These accounts have been prepared on a going concern basis, which assumes the continuing support of the company's financial backers.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs at 31st December 1991 and of the results and source and application of funds for the period then ended and comply with the Companies Act 1985.

A handwritten signature, possibly 'M. A.', in dark ink, located to the left of the auditors' address.


PLACE FLIGHT
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
GLENISTER HOUSE
14 KING STREET
EAST GRINSTEAD
WEST SUSSEX

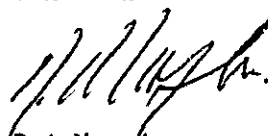
3rd November 1992

RDM FACTORS LIMITED
BALANCE SHEET
31ST DECEMBER 1991

	<u>Notes</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
FIXED ASSETS			
Tangible Assets	1	88710 =====	93191 =====
CURRENT ASSETS			
Debtors	2	3818275	1337333
Cash at Bank and in Hand		-	3522
		<u>3818275</u>	<u>1340855</u>
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	3	3911595	1411148
NET CURRENT LIABILITIES		<u>(93320)</u>	<u>(70293)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(4610)</u>	<u>22898</u>
CREDITORS: Amounts falling due after more than one year	4	(29581)	(46783)
		<u>(34191)</u> =====	<u>(23885)</u> =====
CAPITAL AND RESERVES			
Share Capital	5	950	950
Share Premium Account	5	39050	39050
Profit and Loss Account		(74191)	(63885)
		<u>(34191)</u> =====	<u>(23885)</u> =====

These accounts were approved by the Directors on 3rd November 1992.


J M Bush


D A Marsden

RDM FACTORS LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD ENDED 31ST DECEMBER 1991

	<u>Notes</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
TURNOVER	6	26250321 =====	3248873 =====
Commissions and Discounting	7	1077028	96364
COST OF SALES		472060	52917
GROSS PROFIT		604968	43447
Administrative Expenses		612706	107468
		(7738)	(64021)
OTHER OPERATING INCOME		973	552
Interest Payable	8	(3541)	(416)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	9	(10306)	(63885)
TAX ON PROFIT ON ORDINARY ACTIVITIES	10	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(10306)	(63885)
RETAINED DEFICIT BROUGHT FORWARD		(63885)	-
RETAINED DEFICIT CARRIED FORWARD		(74191) =====	(63885) =====

RDM FACTORS LIMITEDNOTES TO THE ACCOUNTSPERIOD ENDED 31ST DECEMBER 1991

1. TANGIBLE ASSETS

	<u>Leasehold Premises</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
COST				
At 1st July 1990	10000	13252	79276	102528
Additions	5000	-	22243	27243
At 31st December 1991	15000	13252	101519	129771
DEPRECIATION				
At 1st July 1990	-	828	8509	9337
Charge for the Period	978	4970	25776	31724
At 31st December 1991	978	5798	34285	41061
NET BOOK VALUE				
At 31st December 1991	14022	7454	67234	88710
	=====	=====	=====	=====
At 30th June 1990	10000	12424	70767	93191
	=====	=====	=====	=====

Assets with a net book value of £56235 are the subject of hire purchase agreements. The lease premium of £15000 has been paid to Rennie Davies and Marsden in which D Marsden was a partner. The lease is with the Company's legal advisers, but the formal assignment has not yet been completed.

2. DEBTORS

	<u>1991</u>	<u>1990</u>
Trade	3636712	1326278
Prepayments	23138	9125
Other Debtors	158425	1930
	<u>3818275</u>	<u>1337333</u>
	=====	=====

3. CREDITORS: Amounts falling due within one year

	<u>1991</u>	<u>1990</u>
Trade	3780942	1358181
Accruals	4257	13514
Taxation and Social Security	13132	7329
Bank Loans and Overdrafts	91368	15900
Hire Purchase and Finance Leases	21896	16224
	<u>3911595</u>	<u>1411148</u>
	=====	=====

RDM FACTORS LIMITEDSOURCE AND APPLICATION OF FUNDSPERIOD ENDED 31ST DECEMBER 1991

	<u>1991</u>	<u>1990</u>
	<u>£</u>	<u>£</u>
SOURCE OF FUNDS		
Loss on Ordinary Activities before Taxation	(10306)	(63885)
Adjustment for items not involving the Movement of Funds		
Depreciation	31724	9337
TOTAL ABSORBED FROM OPERATIONS	<u>21418</u>	<u>(54548)</u>
FUNDS FROM OTHER SOURCES		
Proceeds from Issue of Shares	-	40000
	<u>21418</u>	<u>(14548)</u>
APPLICATION OF FUNDS		
Purchase of Fixed Assets	27243	102528
	<u>(5825)</u>	<u>(117076)</u>
	=====	=====
INCREASE/(DECREASE) IN WORKING CAPITAL		
Debtors	2480942	1337333
Creditors	<u>(2407777)</u>	<u>(1442031)</u>
	73165	(104698)
MOVEMENT IN NET LIQUID FUNDS		
Cash at Bank and in Hand	(3522)	3522
Bank Overdraft and Short Term Loans	<u>(75468)</u>	<u>(15900)</u>
	(78990)	(12378)
	<u>(5825)</u>	<u>(117076)</u>
	=====	=====

RDM FACTORS LIMITEDNOTES TO THE ACCOUNTSPERIOD ENDED 31ST DECEMBER 1991

4. CREDITORS: Amounts falling due within one year

	<u>1991</u>	<u>1990</u>
Hire Purchase and Finance Leases	29581	46783
	=====	=====
The above fall due withing five years.		

5. CALLED UP SHARE CAPITAL

	<u>1991</u>	<u>1990</u>
Authorised		
100000 Ordinary Shares of £1 each	100000	100000
	=====	=====
Allotted and Fully Paid		
950 Ordinary Shares of £1 each	950	950
	=====	=====

6. TURNOVER

The total value of debts factored during the period was £26,250,321 (1990 - £3,248,873).

7. COMMISSIONS AND DISCOUNTING

Income stated relates to commissions and administration charges at invoice value net of Value Added Tax and discounting charges.

8. INTEREST PAYABLE

	<u>1991</u>	<u>1990</u>
Bank Interest	1074	416
HP Interest	2467	-
	=====	=====
	3541	416
	=====	=====

9. LOSS ON ORDINARY ACTIVITIES

	<u>1991</u>	<u>1990</u>
Loss on Ordinary activities is stated after charging :-		
Staff Costs including Directors	217783	36538
Auditor's Remuneration	4741	1044
Depreciation on Owned Assets	31724	8679
	=====	=====

and after crediting :-

	<u>1991</u>	<u>1990</u>
Bank Interest Receivable	973	552
	=====	=====

RDM FACTORS LIMITEDNOTES TO THE ACCOUNTSPERIOD ENDED 31ST DECEMBER 1991

10. TAXATION

No liability to UK Corporation Tax arises due to losses for the period.

11. DEPRECIATION

Depreciation has been charged at rates estimated to write off the cost of the assets over their economic working lives. The following rates have been applied:-

Office Equipment	-	10% on cost
Motor Vehicles	-	25% on Cost
Computer Equipment	-	Over length of lease

12. STAFF COSTS

	<u>1991</u>	<u>1990</u>
Wages and Salaries including Directors	196507	36538
National Insurance	21276	-
	<u>217783</u>	<u>36538</u>
	=====	=====

The average number of employees during the year was 10 (1990 - 4) made up as follows:-

Administration and Factoring	10	4
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13. DIRECTORS EMOLUMENTS

	<u>1991</u>	<u>1990</u>
Remuneration	51250	16476
National Insurance	4795	-
	<u>56045</u>	<u>16476</u>
	=====	=====

The highest paid and only salaried director received £51250.

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Directors consider that there were no liabilities under this heading at the Balance Sheet date requiring disclosure.

15. BASIS OF ACCOUNTING

These accounts have been prepared under the historical cost accounting convention and do not reflect the effect of inflation.

RDM FACTORS LIMITEDNOTES TO THE ACCOUNTSPERIOD ENDED 31ST DECEMBER 1991

16. CONNECTED PARTY TRANSACTIONS

During the period the Company carried out transactions with other businesses with which certain Directors were connected or held a material interest. These transactions are as follows:

<u>Description</u>	<u>Director</u>	<u>Amount</u>
Introductory Commission, Surveys and Consultancy	D A Marsden as a partner in Rennie Davies & Marsden (resigned 30th June 1991)	£ 40000
Introductory Commission, Surveys and Consultancy	D A Marsden as Marsden Associates	£ 24000

Included in Other Debtors (Note 2) are amounts due from connected businesses totalling £151797 all of which has been repaid or recovered by the date of signing these accounts.