

NATIONWIDE SYNDICATIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 MARCH 1995

Registered No: 2537970



NATIONWIDE SYNDICATIONS LIMITED

DIRECTORS' REPORT

The directors submit their Report together with the audited financial statements for the year ended 31 March 1995.

1. Principal Activities

The company operates as a mortgage lender specialising in syndicated loans.

2. Business Review And Future Developments

Nationwide Syndications Limited continues to successfully undertake all key roles associated with syndicated lending. The current high profile of Nationwide Syndications Limited in the Registered Housing Association market will be maintained.

3. Results And Dividends

The profit for the financial year amounted to £2,504,585 (1994 - £256,552) and has been transferred to reserves. The directors do not recommend the payment of a dividend.

4. Directors

The following were directors of the company during the year:

P Richardson (Chairman) appointed 9.5.94

G J Beale

B Darling

R G Lassen

M J Lazenby

S D M Bernau (Chairman) resigned 9.5.94.

The directors have no beneficial interests in the shares of the company.

5. Close Company Status

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

6. Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution to re-appoint Price Waterhouse as auditors will be proposed at the forthcoming Annual General Meeting.

NATIONWIDE SYNDICATIONS LIMITED**DIRECTORS' REPORT continued****7. Insurance**

Insurance has been taken out for the Company's Directors and officers against liabilities in relation to the Company, under S 310 CA 1985.

**8. Responsibilities of Directors
in respect of the preparation of the Financial Statements**

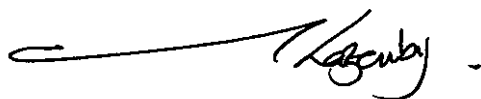
The following statement, which should be read in conjunction with the statement of the auditors' responsibilities on page 3, is made by the directors to explain their responsibilities in relation to the preparation of the financial statements and directors' report.

The directors are required by Company Law to prepare, for each financial year, financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of the profit or loss of the company for the financial year. In preparing those financial statements the directors are required to

- * select appropriate accounting policies and apply them consistently
- * make judgments and estimates that are reasonable and prudent
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- * 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



M J LAZENBY
Director

4 September 1995

**REPORT OF THE AUDITORS TO THE MEMBERS
OF NATIONWIDE SYNDICATIONS LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 7.

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.

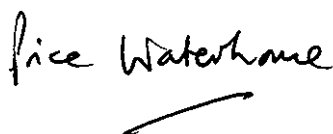
Basis of opinion

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 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 the company's affairs at 31 March 1995, of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
and Registered Auditors
London

4 September 1995

NATIONWIDE SYNDICATIONS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 1995

	Notes	1995 £	1994 £
Interest receivable		9,348,968	668,021
Interest payable	1	(7,714,059)	(534,790)
		<hr/>	<hr/>
Net interest receivable		1,634,909	133,231
Administrative expenses		(35,559)	(30,526)
Other operating income		2,138,834	280,209
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	3,738,184	382,914
Tax on profit on ordinary activities	4	(1,233,599)	(126,362)
		<hr/>	<hr/>
Profit for the financial year	9	2,504,585	256,552
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The above results are derived from continuing activities of the business. There have been no recognised gains or losses other than the profit for both financial years.

NATIONWIDE SYNDICATIONS LIMITED

BALANCE SHEET

At 31 March 1995

	Notes	1995 £	1994 £
CURRENT ASSETS			
Debtors			
Commercial Assets	5	224,587,705	87,212,673
Other debtors		-	997,513
		<u>224,587,705</u>	<u>88,210,186</u>
CREDITORS: Amounts falling due within one year	6	(2,683,853)	(1,475,690)
		<u>221,903,852</u>	<u>86,734,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	7	(219,142,713)	(86,477,942)
		<u>2,761,139</u>	<u>256,554</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account	9	2,761,137	256,552
TOTAL SHAREHOLDERS' FUNDS		<u>2,761,139</u>	<u>256,554</u>
- ALL EQUITY INTERESTS		<u>2,761,139</u>	<u>256,554</u>

The financial statements were approved by the Board of Directors on 4 September 1995 and were signed on its behalf by:



M J LAZENBY

Director

NATIONWIDE SYNDICATIONS LIMITED
CASH FLOW STATEMENT
For The Year Ended 31 March 1995

	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	11	3,799,471	400,544
TAXATION			
Corporation tax paid		(126,362)	-
INVESTING ACTIVITIES			
Advances made to borrowers		(136,337,880)	(86,878,486)
NET CASH OUTFLOW BEFORE FINANCING		(132,664,771)	(86,477,942)
FINANCING			
Funding by parent undertaking	12	132,664,771	86,477,942
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		-	-

NATIONWIDE SYNDICATIONS LIMITED

STATEMENT OF ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared under the historical cost convention and have been drawn up in accordance with applicable accounting standards.

b) Deferred taxation

Deferred taxation is provided at anticipated tax rates on timing differences to the extent that it is probable that a tax liability or asset will crystallise in the foreseeable future.

c) Syndicated loan fees

Loan arrangement fees received are deferred over a period of typically one year to match the investment monitoring activities to which they relate.

d) Provision for bad and doubtful debts

Throughout the year and at the year end, assessments are made of all loans and advances in arrears and where necessary provision made to reduce the value of loans and advances to the amount which the Directors consider is likely to be recoverable.

NATIONWIDE SYNDICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 1995

	1995	1994
	£	£
1 INTEREST PAYABLE		
Interest payable to parent undertaking	7,714,059	534,790
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2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1995	1994
	£	£
Profit on ordinary activities is after charging/(crediting):		
Auditors' remuneration	3,800	3,000
Management charge from parent	28,000	27,000
Loan arrangement fees	(1,779,743)	(265,309)
Other fees	(359,091)	(14,900)
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3 DIRECTORS' EMOLUMENTS		
The directors do not receive any emoluments in respect of their services to the company.		
4 TAX ON PROFIT ON ORDINARY ACTIVITIES	1995	1994
	£	£
United Kingdom corporation tax based on profit for the year at 33% (1994 - 33%)	1,233,599	126,362
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5 COMMERCIAL ASSETS		
Commercial assets comprise advances to Registered Housing Associations, secured on their underlying assets, which are generally repayable over periods in excess of one year.		
6 CREDITORS: Amounts falling due within one year	1995	1994
	£	£
Sundry creditors	3,000	25,526
Amount due to parent undertaking	1,750	5,000
Corporation tax payable	1,233,599	126,362
Accruals and deferred income	1,445,504	1,318,802
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	2,683,853	1,475,690
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NATIONWIDE SYNDICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued
Year ended 31 March 1995

7	CREDITORS: Amounts falling due after more than one year	1995 £	1994 £
	Amount due to parent undertaking	219,142,713	86,477,942

The amount due to parent is utilised to fund the company's commercial assets and repayment is due in line with repayment of those assets.

8	CALLED UP SHARE CAPITAL	1995 £	1994 £
	Ordinary shares of £1 each		
	Authorised	2	2
		<hr/>	<hr/>
	Allotted, issued and fully paid	2	2
		<hr/>	<hr/>

9	PROFIT AND LOSS ACCOUNT	1995 £	1994 £
	At 1 April	256,552	-
	Retained profit for the year	2,504,585	256,552
		<hr/>	<hr/>
	At 31 March	2,761,137	256,552
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10	RECONCILIATION OF THE MOVEMENT IN SHAREHOLDERS' FUNDS	1995 £	1994 £
	Profit for the financial year	2,504,585	256,552
	Opening shareholders' funds	256,554	2
		<hr/>	<hr/>
	Closing shareholders' funds	2,761,139	256,554
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11	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	1995 £	1994 £
	Profit before taxation	3,738,184	382,914
	Increase in debtors	(39,639)	(1,331,698)
	Increase in creditors	100,926	1,349,328
		<hr/>	<hr/>
	Net cash inflow from operating activities	3,799,471	400,544
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NATIONWIDE SYNDICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 March 1995

12 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	1995 £	1994 £
At 1 April	86,477,942	-
Cash inflow from financing	132,664,771	86,477,942
At 31 March	<u>219,142,713</u>	<u>86,477,942</u>

13 COMMITMENTS

The company has commitments to lend of £101.5 million at 31 March 1995 (1994 - £47.3 million) under existing syndicated lending transactions.

14 OWNERSHIP

The company is a wholly owned subsidiary of Nationwide Building Society, its immediate and ultimate parent undertaking. Copies of the Group accounts can be obtained from Nationwide House, Pipers Way, Swindon L, SN38 1NW.