

The Money Store Company (No.2) Limited
(formerly Intercede 1281 Limited)

Directors' report and financial statements

31 December 1998

Registered number 3456341



Directors' report and financial statements

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Directors' report

The directors present their annual report and the financial statements for the period ended 31 December 1998. The company was incorporated on 26 September 1997.

Principal activities

There have been no financial transactions in the period.

On 30 June 1998, The Money Store Inc, the ultimate parent company of The Money Store Company (No. 2) Limited, merged with First Union Corporation and its wholly owned subsidiary First Union National Bank.

Year 2000

The Group headed by The Money Store Holdings Ltd ("the Group") is addressing millennium compliance for all its financial and operating systems. This is expected to be achieved well in advance of the year 2000, in line with a detailed programme established to deal with the issue. The cost of this detailed programme has been broadly quantified and all material year 2000 issues will be met by the Group's normal capital expenditure.

Directors

The directors of the company during the period were as follows:

B Reeves	-	(appointed 26 September 1997, resigned 20 November 1997)
M Rich	-	(appointed 26 September 1997, resigned 20 November 1997)
P Boehm	-	(appointed 20 November 1997, resigned 18 February 1998)
G Brady (USA)	-	(appointed 20 November 1997, resigned 25 March 1999)
W Templeton (USA)	-	(appointed 20 November 1997)
M Dear (USA)	-	(appointed 20 November 1997)
M Turteltaub (USA)	-	(appointed 20 November 1997)
L Wodarski	-	(appointed 23 October 1998)

Since the company meets the definition of S736(2)(3) of the Companies Act 1995 of a wholly owned subsidiary of a body corporate incorporated outside Great Britain, the company is exempt from the obligation to disclose directors' share interests and options in group companies.

Reporting accountants

The Board has resolved not to have the company's financial statements subject to an annual statutory audit.

By order of the board



Lawrence Wodarski
Director

Mitre House
160 Aldersgate
London
EC1A 4DD

17 May 1999

Statement of directors' 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 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, 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.

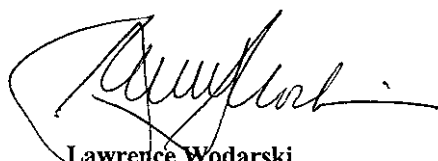
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Balance sheet
at 31 December 1998

	<i>Note</i>	1998 £
Debtors - called-up share capital not paid		1
		<hr/> 1 <hr/>
Capital and reserves		
Share capital	2	1
		<hr/> 1 <hr/>

The company was dormant throughout the financial period.

These financial statements were approved by the board of directors on 17 May 1999 and were signed on its behalf by:


Lawrence Wodarski
Director

Notes

(forming part of the financial statements)

1 Basis of Preparation

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

2 Share Capital

	1998 £
Authorised:	
Ordinary equity shares of £1 each	100
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Called up, allotted and fully paid:	
Ordinary equity shares of £1 each	1
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3 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of The Money Store Ltd incorporated in England & Wales.

The largest group in which the results of the company are consolidated is that headed by First Union Corporation, incorporated in the United States of America. The smallest group in which the results are consolidated is that headed by The Money Store Holdings Ltd. The consolidated accounts of these groups are available to the public from One First Union Centre, 301 South Tryon Street, Charlotte, North Carolina and 160 Aldersgate Street, London respectively.

4 Profit and Loss Account

The company has not traded during the period, has received no income or expenditure, and consequently has made neither a profit nor a loss.

5 Cash Flow Statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statement which include a consolidated cash flow statement.

6 Related Party Transactions

There were no related party transactions which require disclosure under Financial Reporting Standard No.8.