

Company No: 2058813

REPORT OF THE AUDITORS TO THE DIRECTORS OF  
LANCASHIRE MORTGAGE CORPORATION LIMITED  
IN ACCORDANCE WITH PARAGRAPH 10 OF SCHEDULE 8  
OF THE COMPANIES ACT 1985

In our opinion the directors are entitled under Sections 247-249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 31st December 1990 and the modified accounts on pages 2 to 4 have been properly prepared in accordance with Schedule 8 of that Act.

On 6th September 1991, we reported as auditors of Lancashire Mortgage Corporation Limited, to the members on the company's financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 31st December 1990 and our audit opinion was as follows:-

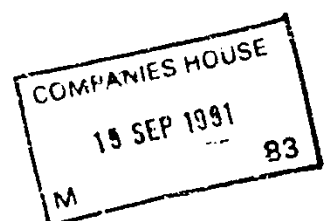
"We have audited the financial statements on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Date: 6th September 1991

*Smith Partnership*

Smith Partnership,  
Chartered Accountants,  
No. 3 Ralli Courts,  
West Riverside,  
Manchester, M3 5FT.



LANCASHIRE MORTGAGE CORPORATION LIMITEDMODIFIED BALANCE SHEET AS AT 31ST DECEMBER 1990

		<u>1990</u>	<u>1989</u>
	Notes	£	£
<u>CURRENT ASSETS</u>			
Debtors		7,457,542	6,238,927
Cash at Bank		18,953	22,985
		<u>7,476,495</u>	<u>6,261,912</u>
<u>CREDITORS:</u> Amounts falling due within one year	2	4,791,711	3,560,732
NET CURRENT ASSETS		<u>2,684,784</u>	<u>2,701,180</u>
 <u>CREDITORS:</u> Amounts falling due after more than one year			
	3	1,234,909	1,787,806
		<u>1,449,875</u>	<u>913,374</u>
		=====	=====
 <u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	4	2	2
Profit & Loss Account		1,449,873	913,372
		<u>1,449,875</u>	<u>913,374</u>
		=====	=====

We have relied on Sections 247-249 of the Companies Act 1985 as entitling us to deliver modified accounts on the ground that the company is entitled to the benefit of those sections as a small sized company.

.....  
A.J. Grant

.....  
H.N. Moser

Directors

Date:

3.9.91



LANCASHIRE MORTGAGE CORPORATION LIMITED  
NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1990

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

b) Interest Receivable

Interest on money lending agreements entered into with customers is credited to the Profit and Loss Account calculated on a straight line basis pro rata to repayments.

c) Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. COMPANIES UNDER COMMON CONTROL

The shareholders of Lancashire Mortgage Corporation Limited control Factfocus Limited, a company registered in England and to which Lancashire Mortgage Corporation Limited owes £3,227,554 (1989 - £2,438,216).

3. CREDITORS: Amounts falling due after more than one year

	<u>1990</u>	<u>1989</u>
	£	£
Debenture loans payable within five years by instalments	1,787,806	2,410,179
<u>Less:</u> Due within one year	552,897	622,373
	<u>1,234,909</u>	<u>1,787,806</u>
	=====	=====

The loans are secured on books debts included in the accounts at a value of £1,763,514 (1989 - £2,596,299).

LANCASHIRE MORTGAGE CORPORATION LIMITED  
NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1990  
(Continued)

4. CALLED UP SHARE CAPITAL

	<u>1990</u>	<u>1989</u>
<u>Authorised</u>	£	£
1,000 Ordinary Shares of £1 Each	1,000	1,000
	=====	=====
<u>Allotted, Issued &amp; Fully Paid</u>		
2 Ordinary Shares of £1 Each	2	2
	=	=