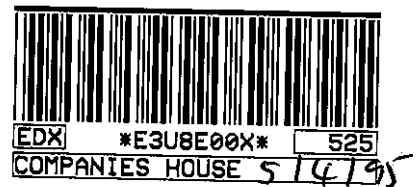


**COLLATERALISED MORTGAGE SECURITIES (NO 6) PLC**

**Report and Financial Statements**

**Year ended 30 September 1994**



**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

*in relation to Financial Statements*

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The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year. As required, in the absence of any circumstances which would make it inappropriate, the financial statements have been prepared on a going concern basis.

The directors consider that in preparing the financial statements (on pages 4 to 9 ), the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

## COLLATERALISED MORTGAGE SECURITIES (NO 6) PLC

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

#### 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 circumstances of the company, 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 as at 30 September 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



31 March 1995

Touche Ross & Co.  
Chartered Accountants and Registered Auditors  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN

# COLLATERALISED MORTGAGE SECURITIES ( NO 6) PLC

## BALANCE SHEET

30 September 1994

	Note	1994 £'000	1993 £'000
<b>ASSETS EMPLOYED</b>			
<b>FIXED ASSETS</b>			
Investments	7	110,650	138,311
<b>CURRENT ASSETS</b>			
Debtors	8	4,796	2,419
Cash at bank		<u>10,422</u>	<u>13,744</u>
		<u>15,218</u>	<u>16,163</u>
		<u>125,868</u>	<u>154,474</u>
<b>FINANCED BY</b>			
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
Called up share capital	9	12	12
Profit and loss account		<u>11</u>	<u>(2,357)</u>
		23	(2,345)
Provision for liabilities and charges	10	-	12
<b>CREDITORS</b>			
Amounts falling due within one year	11	1,342	1,860
Amounts falling due after more than one year	11	<u>124,503</u>	<u>154,947</u>
		<u>125,868</u>	<u>154,474</u>

These financial statements were approved by the Board of Directors on 30 March 1995.

Signed on behalf of the Board of Directors



R D Shelton  
Director

# COLLATERALISED MORTGAGE SECURITIES (NO 6) PLC

## NOTES TO THE ACCOUNTS

Year ended 30 September 1994

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 September 1994 £'000	Period ended 30 September 1993 £'000
Profit on ordinary activities before taxation is after charging:		
Auditor's remuneration - audit services	<u>5</u>	<u>5</u>

### 5. TAXATION CREDIT/(CHARGE)

	£'000	£'000
UK corporation tax on the profit for the financial year:		
Current tax at 33%	-	(788)
Deferred tax	32	101
Prior period - current	<u>(3)</u>	<u>-</u>
	<u>29</u>	<u>(687)</u>

The tax credit for the year arises as a consequence of losses being surrendered from group companies for which no payment has been made.

### 6. DIVIDEND

An interim dividend of £1,967,000 (1993 : £nil), £39.34 per ordinary share, was paid during the year. No final dividend is proposed.

### 7. INVESTMENTS

These comprise mortgage loans secured on residential properties in the United Kingdom.

	1994 £'000	1993 £'000
Balance at 1 October 1993	138,311	176,973
Other debits	11,789	12,640
Redemptions and repayments	<u>(39,450)</u>	<u>(51,302)</u>
Balance at 30 September 1994	<u>110,650</u>	<u>138,311</u>

### 8. DEBTORS

	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group companies	3,867	1,490
Advance corporation tax	829	807
Corporation tax	82	-
Other debtors	3	99
Prepayments and accrued income	<u>15</u>	<u>23</u>
	<u>4,796</u>	<u>2,419</u>

# COLLATERALISED MORTGAGE SECURITIES (NO 6) PLC

## NOTES TO THE ACCOUNTS

Year ended 30 September 1994

### 9. CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised:		
50,000 ordinary shares of £1 each	50,000	50,000
1 special share of £1	<u>1</u>	<u>1</u>
	<u>50,001</u>	<u>50,001</u>
Allotted:		
50,000 ordinary shares of £1 each (25p paid)	12,500	12,500
1 special share of £1 (fully paid)	<u>1</u>	<u>1</u>
	<u>12,501</u>	<u>12,501</u>

The company has issued one special share of £1 to the Trustee for the holders of its mortgage backed loan notes. This share ranks pari passu with the ordinary shares except in the event of certain prejudicial events whereupon the share gives its holder effective control.

### 10. PROVISION FOR LIABILITIES AND CHARGES

	£'000	£'000
Deferred taxation		
Balance at 1 October 1993	12	31
Credit for the period	(32)	(101)
Advance corporation tax applied	<u>20</u>	<u>82</u>
Balance at 30 September 1994	<u>-</u>	<u>12</u>
Deferred taxation has been provided as follows :		
Other timing differences	-	32
Less advance corporation tax recoverable	<u>-</u>	<u>(20)</u>
	<u>-</u>	<u>12</u>

### 11. CREDITORS

	£'000	£'000
Amounts falling due within one year:		
Corporation tax	-	137
Accruals	<u>1,342</u>	<u>1,723</u>
	<u>1,342</u>	<u>1,860</u>
Amounts falling due after more than one year:		
Mortgage backed loan notes due 2027	121,999	151,932
Subordinated loan	583	583
Liquidity drawdown	<u>1,921</u>	<u>2,432</u>
	<u>124,503</u>	<u>154,947</u>

## COLLATERALISED MORTGAGE SECURITIES (NO 6) PLC

### NOTES TO THE ACCOUNTS

Year ended 30 September 1994

#### 11. CREDITORS (CONTINUED)

All amounts falling due after more than one year fall due after more than five years.

On 31 October 1990 the company issued £225,000,000 Mortgage Backed Floating Rate Notes due 2027 which are secured over a portfolio of mortgage loans secured by first charges over residential properties in the United Kingdom.

Each mortgage has the benefit of one or more life assurance policies and certain mortgages have the benefit of a mortgage indemnity guarantee insurance policy. The mortgages were obtained by and purchased from The National Home Loans Corporation plc which continues to administer the mortgages on behalf of Collateralised Mortgage Securities (No 6) plc.

The notes are subject to mandatory redemption in part on each Interest Payment Date in an amount equal to the principal received or recovered in respect of the mortgages. If not otherwise redeemed or purchased and cancelled, the notes will be redeemed at their Principal Amount Outstanding on the Interest Payment Date falling in October 2027.

Interest on the notes is payable quarterly in arrears at 0.25% per annum up to and including the interest period ending in October 2000 and there after 0.50% per annum above the London Interbank Offered Rate for three month sterling deposits.

There is a £582,500 subordinated loan repayable to The National Home Loans Corporation plc on the earlier of the last Note Payment Date in 2027 or the first day on which there are no Notes outstanding. Interest is payable at the rate of 4% above the London Interbank Offered Rate for three month sterling deposits plus an additional margin dependent upon the performance of the company.

There is a liquidity facility of £8,500,000. At 30 September 1994 the drawings on the facility amounted to £1,921,287 (1993 - £2,431,920). Interest on the drawing is payable to the facility provider at the offered rate plus a margin of 0.35% (0.60% after 31 October 2000) plus an additional percentage subject to a maximum of 0.125% payable quarterly in arrears. The amount of the drawing shall not exceed the lower of the amount of the facility and an amount equal to the aggregate of the arrears in respect of all the mortgages. The loan is repayable on the earlier of October 2027, on the cessation of business or the liquidity provider being given notice of a rating on its short term unsecured debt by Standard & Poors of A-1+.

#### 12. ULTIMATE PARENT COMPANY

The company's ultimate parent company is National Home Loans Holdings PLC, a company registered in England and Wales. Copies of the Group's financial statements are available from that company's registered office at St Catherine's Court, Herbert Road, Solihull, West Midlands, B91 3QE.