

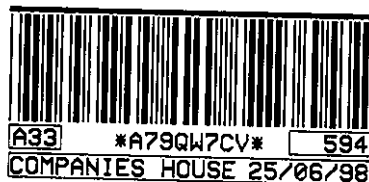
CURZON COLLECTIONS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1997

Company Number 2993061



Curzon Collections Limited

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Curzon Collections Limited

Officers and professional advisers

Directors

P E Hopes
SPV Management Limited
L de V Wragg

Secretary

P E Hopes

Registered Office

1st Floor
Cornelius House
33 Boltro Road
Haywards Heath
West Sussex
RH16 1BS

Bankers

National Westminster Bank Plc

Auditors

Deloitte & Touche
Chartered Accountants
Stonecutter Court
1 Stonecutter Street
London
EC4A 4TR

Curzon Collections Limited

Report of the directors

The directors present their report and the audited financial statements for the year to 31 December 1997.

Activities

The business of the Company is the collection of all amounts due by way of payments of principal and interest on portfolios of mortgage loans and the distribution of such amounts to the party entitled thereto under the terms, inter alia, of a Receivables Trust Deed.

The Company's expenses are paid by a related company and accordingly, the Company generates neither a profit nor a loss.

Directors and their interests

The present members of the board are listed on page 2.

Mr D Cameron-Moore resigned as a director and as secretary on 12 June 1998 and Mr P E Hopes was appointed as secretary on the same date.

The other directors whose names appear on page 2 served throughout the year.

None of the directors who held office during the year nor any of their families held any beneficial interest in the shares of the Company during the year. SPV Management Limited held all of the issued share capital of the Company and the related companies referred to in note 3 on a discretionary trust basis at 31 December 1997 and at the date of appointment as a director.

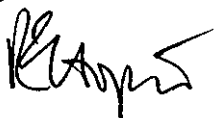
Employees

The Company has no employees.

Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the directors



P E Hopes
Secretary
12 June 1998

Curzon Collections Limited

Statement of directors' responsibilities

The directors are required by company law 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 of the Company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been used in the preparation of the financial statements. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors have responsibility 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 also 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.

Curzon Collections Limited

Report of the auditors to the members of Curzon Collections Limited

We have audited the financial statements on pages 6 to 8 which have been prepared under the accounting policy set out on page 7.

Respective responsibilities of directors and auditors

As described on page 4 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.

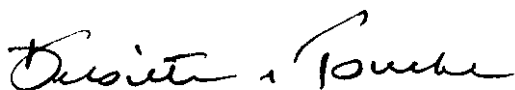
Basis of opinion

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 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 December 1997 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche

Chartered Accountants and Registered Auditors

19 June 1998

Curzon Collections Limited

Balance sheet as at 31 December

	Note	1997 £	1996 £
Current assets			
Called-up share capital not paid		2	2
Cash at bank and in hand		<u>1,165,346</u>	<u>255,778</u>
Total assets		<u>1,165,348</u>	<u>255,780</u>
Creditors: amounts falling due within one year			
Amounts owed to related company	3	1,106,599	238,640
Other creditors		<u>58,747</u>	<u>17,138</u>
		<u>1,165,346</u>	<u>255,778</u>
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		<u><u>2</u></u>	<u><u>2</u></u>
Capital and reserves			
Called-up share capital	4	2	2
Profit and loss account		<u>-</u>	<u>-</u>
Total Equity shareholders' funds		<u><u>2</u></u>	<u><u>2</u></u>

These financial statements were approved by the Board of Directors on 12 June 1998.

Signed on behalf of the Board of Directors

A. T. Zia
Director *for SPV Management Ltd.*

Curzon Collections Limited

Notes to the accounts

1. Accounting policy

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable U.K. accounting standards.

2. Profit and loss account

No profit and loss account is presented for the year as the Company has not traded and therefore has made neither profit nor loss nor any other recognised gain nor loss.

Audit fees and any other fees paid to auditors are paid by a related company.

3. Related companies

The related companies referred to in these financial statements are Curzon Funding No 1 Limited and Curzon RT Limited, both of which are wholly owned by SPV Management Limited on a discretionary trust basis.

4. Share capital

	1997 £	1996 £
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called-up and allotted: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

5. Directors and employees

None of the directors received any emoluments in respect of their services to the Company during the year.

The Company does not employ staff.

Curzon Collections Limited

Notes to the accounts (continued)

6. Parent company

SPV Management Limited, a company registered in England and Wales, holds all of the issued shares in the Company on a discretionary trust basis. Its financial statements are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.