

**Company Registration No : 3203923**

**MORLEY LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**Year ended 30 September 1998**



**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 September 1998.

**ACTIVITIES AND FUTURE PROSPECTS**

The principal activity of the Company during the period was to act as trustee of a portfolio of unsecured loans and of all payments received on those loans.

The directors consider that the Company has and will continue to perform satisfactorily.

**RESULTS AND DIVIDENDS**

The results for the period are shown in the profit and loss account on page 4. The directors do not recommend the payment of a dividend (1997:£nil).

**DIRECTORS**

The directors throughout the year, unless otherwise noted, were:

R G Baker  
SPV Management Limited

None of the directors had any interest in the shares of the Company or of other group companies during the year.

None of the directors had any interest during the year in any material contract or arrangement with the Company.

Neither director had a service contract with the Company.

**CREDITOR PAYMENT POLICY**

The Company agrees terms and conditions with its suppliers. Payment is then made on the terms agreed, subject to the appropriate terms and conditions being met by the supplier. The trade creditor days figure has not been stated as the measure is not appropriate to the business.

**YEAR 2000**

The directors have considered the impact of Year 2000 on its systems and operations and have taken all appropriate action to the best of their knowledge and belief, to ensure that there is no significant disruption to the business. The cost of carrying out any modification work in relation to the above is not considered material.

**AUDITORS**

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

Approved by the Board of Directors  
and signed on behalf of the Board



J G Gemmell  
Company Secretary  
28 July 1999

**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 period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period. 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 7), the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments 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.

**AUDITORS' REPORT**

**TO THE MEMBERS OF MORLEY LIMITED**

We have audited the financial statements on pages 4 to 7 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 1998 and of the result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte and Touche  
Chartered Accountants and  
Registered Auditors  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN  
30 July 1999

**MORLEY LIMITED****PROFIT AND LOSS ACCOUNT****Year ended 30 September 1998**

	<b>Note</b>	<b>1998 £'000</b>	<b>1997 £'000</b>
Operating income		9	6
Operating expenses		(9)	(6)
Operating profit, being profit on ordinary activities before taxation	3	-	-
Taxation charge on profit on ordinary activities		-	-
Retained profit for the year		-	-

All material activities derive from continuing operations.

There are no recognised gains or losses, or other movements in shareholders' funds other than the profit for the current and preceding years.


**MORLEY LIMITED****BALANCE SHEET**

30 September 1998

	Note	1998 £'000	1997 £'000
<b>ASSETS EMPLOYED</b>			
<b>CURRENT ASSETS</b>			
Debtors	4	<u>4</u>	<u>4</u>
<b>FINANCED BY:</b>			
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
Called up share capital	5	-	-
Profit and loss account		<u>-</u>	<u>-</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>4</u>	<u>4</u>
		<u>4</u>	<u>4</u>

These financial statements were approved by the Board of Directors on 28 July 1999.

Signed on behalf of the Board of Directors

  
R G Baker  
Director

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 1998**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below:

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**2. DIRECTORS AND EMPLOYEES**

Directors' remuneration from the company during the year is stated in note 3.

The Company has no other employees.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>1998</b>	<b>1997</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before taxation is after charging :		
Directors' remuneration	2	2
Auditors' remuneration - audit services	5	4
	<u>          </u>	<u>          </u>

**4. DEBTORS**

	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Prepayments and accrued income	4	4
	<u>          </u>	<u>          </u>

**5. CALLED UP SHARE CAPITAL**

	<b>£</b>	<b>£</b>
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted and fully paid:		
2 ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

**NOTES TO THE ACCOUNTS****Period ended 30 September 1998****6. CREDITORS**

	<b>1998</b>	<b>1997</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Accruals	<u>4</u>	<u>4</u>

**7. PARENT COMPANY**

The company's parent company is SPV Management Limited, a company registered in England and Wales. Copies of the parent company's financial statements are available from that company's registered office at 78, Cannon Street, London, EC4P 5LN.