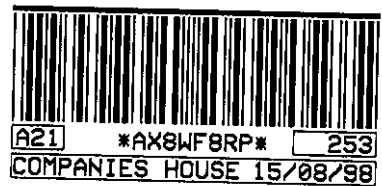


REGISTERED NUMBER: 02683226 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1998

FOR

MERCIAN FINANCE & LEASING LIMITED



MERCIAN FINANCE & LEASING LIMITED

**INDEX TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 January 1998**

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MERCIAN FINANCE & LEASING LIMITED

COMPANY INFORMATION
for the Year Ended 31 January 1998

DIRECTORS:

P Sturdy
R Husbands

SECRETARY:

P Sturdy

REGISTERED OFFICE:

838A Washwood Heath Road
Washwood Heath
Birmingham
B8 2NL

REGISTERED NUMBER:

02683226 (England and Wales)

AUDITORS:

A W Walker & Co
Chartered Certified Accountants
Registered Auditors
Cannon House
2255 Coventry Road
Sheldon
Birmingham B26 3NX

BANKERS:

Barclays Bank Limited
201 Stratford Road
Shirley
Solihull

MERCIAN FINANCE & LEASING LIMITED

**REPORT OF THE AUDITORS TO
MERCIAN FINANCE & LEASING LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages three to four, together with the full financial statements of the company for the year ended 31 January 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

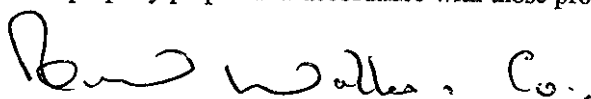
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to four are properly prepared in accordance with those provisions.



A W Walker & Co
Chartered Certified Accountants
Registered Auditors
Cannon House
2255 Coventry Road
Sheldon
Birmingham B26 3NX

Dated: 17 July 1998

MERCIAN FINANCE & LEASING LIMITED

ABBREVIATED BALANCE SHEET

31 January 1998

		1998	1997
	Notes	£	£
CURRENT ASSETS:			
Debtors	2	218,481	231,453
Cash at bank		38,376	67,648
		<u>256,857</u>	<u>299,101</u>
CREDITORS: Amounts falling due within one year		154,412	217,470
NET CURRENT ASSETS:		<u>102,445</u>	<u>81,631</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£102,445</u>	<u>£81,631</u>
CAPITAL AND RESERVES:			
Called up share capital	3	2	2
Profit and loss account		102,443	81,629
Shareholders' funds		<u>£102,445</u>	<u>£81,631</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

P Sturdy - DIRECTOR

R Husbands - DIRECTOR

Approved by the Board on 17 July 1998

The notes form part of these financial statements

MERCIAN FINANCE & LEASING LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Year Ended 31 January 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

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. DEBTORS FALLING DUE AFTER MORE THAN ONE YEAR

	1998	1997
	£	£
Loans repayable	109,477	110,922

3. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	1998	1997
		£1	£	£
1,000	Ordinary shares		1,000	1,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	1998	1997
		£1	£	£
2	Ordinary shares		2	2