

Companies
House

Registration number 3389156

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

Director's report and financial statements

for the year ended 31 July 2004



1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

Company information

Director	S W Reynolds
Company number	3389156
Registered office	23 Halford Street Leicester LE1 1JA
Auditors	The Rowleys Partnership LLP 20 Friar Lane Leicester LE1 5RA

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

Contents

	Page
Director's report	1
Auditors' report	2 - 3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 12

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

**Director's report
for the year ended 31 July 2004**

The director presents his report and the financial statements for the year ended 31 July 2004.

Principal activity and review of the business

The principal activity of the company is that of Independent Financial and Mortgage advisers.

Results and dividends

The results for the year are set out on page 5.

The director has paid an interim dividend amounting to £95,000 and he does not recommend payment of a final dividend.

Director and his interest

The director who served during the year and his interest in the company are as stated below:

	Class of share	31/07/04	01/08/03
S W Reynolds	Ordinary shares	100	100

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The Rowleys Partnership LLP were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report was approved by the Board on 4 July 2005 and signed on its behalf by


S W Reynolds
Director

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

**Independent auditors' report to the shareholders of
1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)**

We have audited the financial statements of 1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd) for the year ended 31 July 2004 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As described in the statement of director's responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 director 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. However the evidence available to us was limited in that we were unable to verify the final balance of the National Westminster Bank loan as company records conflicted with those held by the bank. Furthermore records were insufficient to verify the transactions and balance with Insurance Choices Limited. We have included a balance of £6,799 for the bank loan and £6,600 as the balance due to Insurance Choices Limited. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

Independent auditors' report to the shareholders of 1st Call Mortgages Ltd (formerly Mortgage Choices

Qualified opinion arising from limitation of scope

With the exception of the above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the loan balance referred to above, we have not obtained the information and explanations that we considered necessary for the purpose of our audit; and we were unable to determine whether proper accounting records had been maintained.

The Rowleys Partnership LLP

**The Rowleys Partnership LLP
Chartered Accountants and
Registered auditors
20 Friar Lane
Leicester
LE1 5RA**

5 July 2005

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

**Profit and loss account
for the year ended 31 July 2004**

		Continuing operations	
		2004	2003
		£	£
	Notes		
Turnover	2	207,494	107,832
Administrative expenses		(165,509)	(79,144)
Operating profit	3	41,985	28,688
Other interest receivable and similar income	4	13	-
Interest payable and similar charges	5	(306)	(571)
Profit on ordinary activities before taxation		41,692	28,117
Tax on profit on ordinary activities	7	(18,090)	(5,008)
Profit on ordinary activities after taxation		23,602	23,109
Dividends	8	(95,000)	-
(Loss)/retained profit for the year		(71,398)	23,109
Retained profit brought forward		78,778	55,669
Retained profit carried forward		<u>7,380</u>	<u>78,778</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 13 form an integral part of these financial statements.

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

**Balance sheet
as at 31 July 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		9,070		7,313
Current assets					
Debtors	10	84,718		127,878	
Cash at bank and in hand		-		1,073	
		<u>84,718</u>		<u>128,951</u>	
Creditors: amounts falling due within one year	11	<u>(86,308)</u>		<u>(57,386)</u>	
Net current (liabilities)/assets			<u>(1,590)</u>		<u>71,565</u>
Net assets			<u><u>7,480</u></u>		<u><u>78,878</u></u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account			7,380		78,778
			<u>7,480</u>		<u>78,878</u>
Shareholders' funds	13		<u><u>7,480</u></u>		<u><u>78,878</u></u>

The financial statements were approved by the Board on 4 July 2005 and signed on its behalf by


S.W Reynolds
Director

The notes on pages 8 to 13 form an integral part of these financial statements.

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

**Cash flow statement
for the year ended 31 July 2004**

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		41,985	28,688
Depreciation		2,622	3,225
Decrease in debtors		43,160	(35,473)
Increase in creditors		7,115	17,668
Net cash inflow from operating activities		<u>94,882</u>	<u>14,108</u>
Cash flow statement			
Net cash inflow from operating activities		94,882	14,108
Returns on investments and servicing of finance	16	(293)	(571)
Taxation	16	-	(1,000)
Capital expenditure	16	(4,379)	(7,101)
		<u>90,210</u>	<u>5,436</u>
Equity dividends paid		(95,000)	-
Decrease in cash in the year		<u>(4,790)</u>	<u>5,436</u>
Reconciliation of net cash flow to movement in net debt (Note 17)			
Decrease in cash in the year		(4,790)	5,436
Net debt at 1 August 2003		<u>(7,898)</u>	<u>(13,334)</u>
Net debt at 31 July 2004		<u>(12,688)</u>	<u>(7,898)</u>

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

Notes to the financial statements
for the year ended 31 July 2004

..... continued

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents the total fees value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	33% on cost
Fixtures, fittings and equipment	-	15% on reducing balance

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

Operating profit is stated after charging:

Depreciation and other amounts written off tangible assets
Auditors' remuneration

2004	2003
£	£
2,622	3,225
1,613	1,235
<u> </u>	<u> </u>

4. Interest receivable and similar income

Bank interest

2004	2003
£	£
13	-
<u> </u>	<u> </u>

5. Interest payable and similar charges

Interest payable on loans < 1 yr

2004	2003
£	£
306	571
<u> </u>	<u> </u>

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

Notes to the financial statements
for the year ended 31 July 2004

6. Employees

Number of employees	2004	2003
The average monthly numbers of employees (including the director) during the year were:		
	<u>5</u>	<u>2</u>

Employment costs	2004 £	2003 £
Wages and salaries	73,852	14,301
Social security costs	7,213	848
	<u>81,065</u>	<u>15,149</u>

6.1. Director's emoluments	2004 £	2003 £
Remuneration and other emoluments	<u>8,000</u>	<u>-</u>

7. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
Current tax		
UK corporation tax	9,000	5,008
Adjustments in respect of previous periods	9,090	-
	<u>18,090</u>	<u>5,008</u>

8. Dividends	2004 £	2003 £
Dividends on equity shares:		
Ordinary shares - interim paid	<u>95,000</u>	<u>-</u>

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

**Notes to the financial statements
for the year ended 31 July 2004**

..... continued

9. Tangible fixed assets	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 August 2003	8,243	8,819	17,062
Additions	1,418	2,961	4,379
At 31 July 2004	<u>9,661</u>	<u>11,780</u>	<u>21,441</u>
Depreciation			
At 1 August 2003	6,526	3,223	9,749
Charge for the year	1,338	1,284	2,622
At 31 July 2004	<u>7,864</u>	<u>4,507</u>	<u>12,371</u>
Net book values			
At 31 July 2004	<u>1,797</u>	<u>7,273</u>	<u>9,070</u>
At 31 July 2003	<u>1,717</u>	<u>5,596</u>	<u>7,313</u>

10. Debtors	2004	2003
	£	£
Trade debtors	40,398	35,202
Amount owed by connected companies	1,697	1,697
Other debtors	39,130	87,082
Prepayments and accrued income	3,493	3,897
	<u>84,718</u>	<u>127,878</u>

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

Notes to the financial statements
for the year ended 31 July 2004

..... continued

11. Creditors: amounts falling due within one year	2004 £	2003 £
Bank overdraft	2,411	-
Bank loan	6,799	8,971
Amounts owed to connected companies	6,600	3,100
Corporation tax	28,835	10,790
Other taxes and social security costs	25,961	12,763
Other creditors	8,724	2,479
Accruals and deferred income	6,978	19,283
	<u>86,308</u>	<u>57,386</u>

The company director provides a personal guarantee for the bank loan.

12. Share capital	2004 £	2003 £
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

13. Reconciliation of movements in shareholders' funds	2004 £	2003 £
Profit for the year	23,602	23,109
Dividends	(95,000)	-
	<u>(71,398)</u>	<u>23,109</u>
Opening shareholders' funds	78,878	55,769
Closing shareholders' funds	<u>7,480</u>	<u>78,878</u>

14. Transactions with director

	Amount owing	
	2004 £	2003 £
S W Reynolds	<u>39,130</u>	<u>87,082</u>

1st Call Mortgages Ltd (formerly Mortgage Choices (IFA) Ltd)

Notes to the financial statements
for the year ended 31 July 2004

..... continued

15. Controlling interest

Mr S W Reynolds controls the company.

16. Gross cash flows

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	13	-
Interest paid	(306)	(571)
	<u>(293)</u>	<u>(571)</u>
Taxation		
Corporation tax paid	-	(1,000)
	<u>-</u>	<u>(1,000)</u>
Capital expenditure		
Payments to acquire tangible assets	(4,379)	(7,101)
	<u>(4,379)</u>	<u>(7,101)</u>

17. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	1,073	(1,073)	-
Overdrafts	-	(2,411)	(2,411)
	<u>1,073</u>	<u>(3,484)</u>	<u>(2,411)</u>
Debt due within one year	(8,971)	2,172	(6,799)
Net funds	<u>(7,898)</u>	<u>(1,312)</u>	<u>(9,210)</u>