

Mortgage Choices (IFA) Limited

Contents

2003/04

	Page
Information page	1
Directors' report	2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 13



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Mortgage Choices (IFA) Limited

Company information

Directors	S W Reynolds A Payne	Resigned 28 June 2000
Secretary	K Reynolds	
Company number	3389156	
Registered office	23 Halford Street Leicester LE1 1JA	
Auditors	Rowley's Chartered Accountants Registered Auditor 20 Friar Lane Leicester LE1 5RA	

Mortgage Choices (IFA) Limited

**Directors' report
for the year ended 31 July 2000**

The directors present their report and the financial statements for the year ended 31 July 2000.

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 directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/07/00	01/08/99
S W Reynolds	100	50
A Payne Resigned 28 June 2000	-	50

Directors' responsibilities

Company law requires the directors 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 directors are 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.

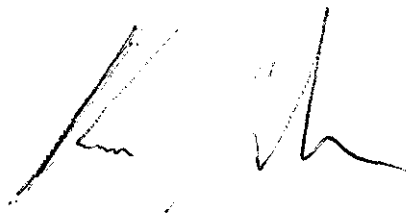
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Auditors

Rowley's 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 12 December 2002 and signed on its behalf by

K Reynolds
Secretary



Mortgage Choices (IFA) Limited

Independent auditors' report to the shareholders of Mortgage Choices (IFA) Limited

We have audited the financial statements of Mortgage Choices (IFA) Limited for the year ended 31 July 2000 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are 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 directors 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 directors' remuneration and transactions with the company is not disclosed.

We read the directors' 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 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 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 full extent of past tax liabilities, currently shown as £13,802. Furthermore transactions and balances with Insurance Choices Limited can also not be verified. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Mortgage Choices (IFA) Limited

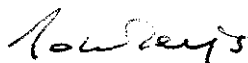
Independent auditors' report to the shareholders of Mortgage Choices (IFA) Limited continued

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning taxation liabilities and the balance with Insurance Choices Limited, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2000 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 taxation liabilities and the balances with Insurance Choices Limited;

we have not obtained all the information and explanations that we considered necessary for the purpose of the audit.



**Rowley's
Registered auditors
20 Friar Lane
Leicester
LE1 5RA**

12 December 2002

Mortgage Choices (IFA) Limited

Profit and loss account
for the year ended 31 July 2000

		Continuing operations	
		2000	1999
		£	£
	Notes		
Turnover	2	80,370	126,789
Administrative expenses		(73,343)	(69,515)
Operating profit	3	<u>7,027</u>	<u>57,274</u>
Interest payable and similar charges	4	(3,200)	(1,604)
Profit on ordinary activities before taxation		<u>3,827</u>	<u>55,670</u>
Tax on profit on ordinary activities	6	(1,434)	(11,527)
Profit on ordinary activities after taxation		<u>2,393</u>	<u>44,143</u>
Dividends	7	-	(30,000)
Retained profit for the year		<u>2,393</u>	<u>14,143</u>
Retained profit brought forward		<u>24,354</u>	<u>10,211</u>
Retained profit carried forward		<u><u>26,747</u></u>	<u><u>24,354</u></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.

Mortgage Choices (IFA) Limited

**Balance sheet
as at 31 July 2000**

		2000		1999	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		18,533		23,340
Debtors	9	74,717		64,267	
Cash at bank and in hand		-		2,156	
		74,717		66,423	
Creditors: amounts falling due within one year	10	(46,490)		(36,072)	
Net current assets			28,227		30,351
Total assets less current liabilities			46,760		53,691
Creditors: amounts falling due after more than one year	11		(19,913)		(29,237)
Net assets			26,847		24,454
Capital and reserves					
Called up share capital	17		100		100
Profit and loss account			26,747		24,354
Equity shareholders' funds	12		26,847		24,454

The financial statements were approved by the Board on 12 December 2002 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.

Mortgage Choices (IFA) Limited

**Cash flow statement
for the year ended 31 July 2000**

	Notes	2000 £	1999 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		7,027	57,274
Depreciation		6,106	4,243
(Increase) in debtors		(10,450)	(39,269)
Increase in creditors		7,260	(3,930)
Net cash inflow from operating activities		<u>9,943</u>	<u>18,318</u>
Cash flow statement			
Net cash inflow from operating activities		9,943	18,318
Returns on investments and servicing of finance	15	(3,200)	(1,604)
Capital expenditure	15	(1,299)	(23,075)
		5,444	(6,361)
Equity dividends paid		-	(30,000)
Increase in cash in the year		<u>5,444</u>	<u>(36,361)</u>
Reconciliation of net cash flow to movement in net funds (Note 16)			
Increase in cash in the year		5,444	(36,361)
Net debt at 1 August 1999		<u>(35,788)</u>	<u>573</u>
Net debt at 31 July 2000		<u>(30,344)</u>	<u>(35,788)</u>

Mortgage Choices (IFA) Limited

Notes to the financial statements for the year ended 31 July 2000

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:

Computer equipment	-	33% on cost
Fixtures, fittings and equipment	-	15% on reducing balance
Motor vehicles	-	25% on reducing balance

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

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

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	6,106	4,243
Auditors' remuneration	1,406	1,498
	<u> </u>	<u> </u>

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2000**

..... continued

4. Interest payable and similar charges	2000	1999
	£	£
On bank loans and overdrafts	1,973	193
Hire purchase interest	1,227	1,411
	<u>3,200</u>	<u>1,604</u>
5. Employees		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:	2000	1999
	<u>5</u>	<u>6</u>
Employment costs	2000	1999
	£	£
Wages and salaries	34,584	27,713
Social security costs	2,940	-
	<u>37,524</u>	<u>27,713</u>
6. Tax on profit on ordinary activities		
Analysis of charge in period	2000	1999
	£	£
UK corporation tax	1,434	11,527
Total current tax charge	1,434	11,527
Tax on profit on ordinary activities	<u>1,434</u>	<u>11,527</u>
7. Dividends	2000	1999
	£	£
Dividends on equity shares:		
Ordinary shares - interim paid	<u>-</u>	<u>30,000</u>

Mortgage Choices (IFA) Limited

Notes to the financial statements
for the year ended 31 July 2000

..... continued

8. Tangible fixed assets	Computer	Fixtures, fittings and	Motor	Total
	equipment	equipment	vehicles	
	£	£	£	£
Cost				
At 1 August 1999	3,082	3,728	21,995	28,805
Additions	1,299	-	-	1,299
At 31 July 2000	<u>4,381</u>	<u>3,728</u>	<u>21,995</u>	<u>30,104</u>
Depreciation				
At 1 August 1999	1,682	1,038	2,745	5,465
Charge for the year	891	403	4,812	6,106
At 31 July 2000	<u>2,573</u>	<u>1,441</u>	<u>7,557</u>	<u>11,571</u>
Net book values				
At 31 July 2000	<u>1,808</u>	<u>2,287</u>	<u>14,438</u>	<u>18,533</u>
At 31 July 1999	<u>1,400</u>	<u>2,690</u>	<u>19,250</u>	<u>23,340</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2000		1999	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Motor vehicles	<u>14,438</u>	<u>4,812</u>	<u>19,250</u>	<u>2,745</u>

9. Debtors	2000	1999
	£	£
Trade debtors	31,079	57,966
Amount owed by connected companies	-	6,301
Other debtors	43,638	-
	<u>74,717</u>	<u>64,267</u>

Mortgage Choices (IFA) Limited

Notes to the financial statements
for the year ended 31 July 2000

..... continued

10. Creditors: amounts falling due within one year	2000 £	1999 £
Bank overdraft	906	-
Bank loan	4,026	3,800
Net obligations under finance leases and hire purchase contracts	5,499	4,907
Amounts owed to connected companies	5,678	-
Corporation tax	15,236	13,802
Other taxes and social security costs	9,419	7,318
Directors' accounts	-	1,862
Accruals and deferred income	5,726	4,383
	<u>46,490</u>	<u>36,072</u>

The director provides a personal guarantee for the bank loan.

11. Creditors: amounts falling due after more than one year	2000 £	1999 £
Bank loan	11,033	14,714
Net obligations under finance leases and hire purchase contracts	8,880	14,523
	<u>19,913</u>	<u>29,237</u>

12. Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the year	2,393	44,143
Dividends	-	(30,000)
	<u>2,393</u>	<u>14,143</u>
Opening shareholders' funds	24,454	10,311
Closing shareholders' funds	<u>26,847</u>	<u>24,454</u>

Mortgage Choices (IFA) Limited

Notes to the financial statements
for the year ended 31 July 2000

..... continued

13. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum in year £
	2000 £	1999 £	
S W Reynolds	31,446	-	31,446
A Payne	<u>12,192</u>	<u>-</u>	<u>20,300</u>

During the year the company incurred management charges amounting to £12,000. These were in respect of overheads shared with Investment Choices Limited. Mr S W Reynolds and Mr A Payne were directors of both companies during the year. The company has a balance with Insurance Choices Limited a company of which Mr SW Reynolds and Mr A Payne were directors during the year.

14. Controlling interest

Mr S W Reynolds controls the company.

15. Gross cash flows

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	<u>(3,200)</u>	<u>(1,604)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(1,299)</u>	<u>(23,075)</u>

Mortgage Choices (IFA) Limited

Notes to the financial statements
for the year ended 31 July 2000

..... continued

16. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	2,156	(2,156)	-
Overdrafts	-	(906)	(906)
	<u>2,156</u>	<u>(3,062)</u>	<u>(906)</u>
Debt due within one year	(3,800)	(226)	(4,026)
Debt due after one year	(14,714)	3,681	(11,033)
Finance leases and hire purchase contracts	(19,430)	5,051	(14,379)
	<u>(37,944)</u>	<u>8,506</u>	<u>(29,438)</u>
Net funds	<u><u>(35,788)</u></u>	<u><u>5,444</u></u>	<u><u>(30,344)</u></u>

17. Share capital

	2000 £	1999 £
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>