

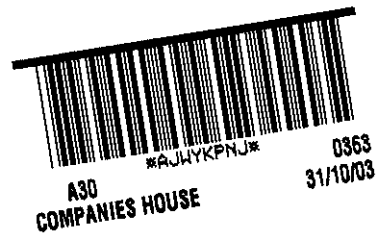
Companies
House

Registration number 3389156

Mortgage Choices (IFA) Limited

Director's report and financial statements

for the year ended 31 July 2002



Mortgage Choices (IFA) Limited

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Mortgage Choices (IFA) Limited

Company information

Director	S W Reynolds
Secretary	K Reynolds
Company number	3389156
Registered office	23 Halford Street Leicester LE1 1JA
Auditors	Rowley's 20 Friar Lane Leicester LE1 5RA

Mortgage Choices (IFA) Limited

Director's report for the year ended 31 July 2002

The director presents his report and the financial statements for the year ended 31 July 2002.

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 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:

	Ordinary shares	
	31/07/02	01/08/01
S W Reynolds	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

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 30 October 2003 and signed on its behalf by



SW Reynolds
Director

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 2002 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 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 and the transactions and balance with Insurance Choices Limited. We have included a balance of £6,799 all repayable within one year for the bank loan and £3,100 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.

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 necessary had we been able to obtain sufficient evidence concerning the National Westminster Bank loan 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 2002 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 National Westminster Bank loan and the balance 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
Chartered Accountants and
Registered auditors
30 October 2003**

**20 Friar Lane
Leicester
LE1 5RA**

Mortgage Choices (IFA) Limited

**Profit and loss account
for the year ended 31 July 2002**

		Continuing operations	
		2002	2001
		£	£
	Notes		
Turnover	2	164,145	129,882
Administrative expenses		(155,184)	(98,866)
Operating profit	3	<u>8,961</u>	<u>31,016</u>
Interest payable and similar charges	4	(1,170)	(4,542)
Profit on ordinary activities before taxation		<u>7,791</u>	<u>26,474</u>
Tax on profit on ordinary activities	6	(1,031)	(4,313)
Profit on ordinary activities after taxation		<u>6,760</u>	<u>22,161</u>
Retained profit for the year		<u>6,760</u>	<u>22,161</u>
Retained profit brought forward		<u>48,908</u>	<u>26,747</u>
Retained profit carried forward		<u><u>55,668</u></u>	<u><u>48,908</u></u>

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

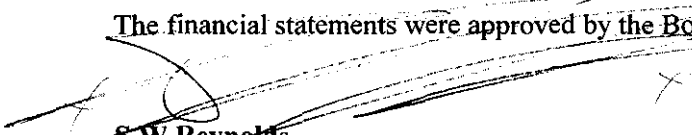
The notes on pages 8 to 13 form an integral part of these financial statements.

Mortgage Choices (IFA) Limited

**Balance sheet
as at 31 July 2002**

	Notes	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	7		3,437		4,488
Current assets					
Debtors	8	92,405		110,457	
		92,405		110,457	
Creditors: amounts falling due within one year	9	(38,474)		(59,599)	
Net current assets			<u>53,931</u>		<u>50,858</u>
Total assets less current liabilities			57,368		55,346
Creditors: amounts falling due after more than one year	10		(1,600)		(6,338)
Net assets			<u>55,768</u>		<u>49,008</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account			55,668		48,908
Shareholders' funds	12		<u>55,768</u>		<u>49,008</u>

The financial statements were approved by the Board on 30 October 2003 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 2002**

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		8,961	31,016
Depreciation		1,051	5,396
Decrease in debtors		18,052	(35,740)
(Decrease) in creditors		(14,385)	13,519
Net cash inflow from operating activities		<u>13,679</u>	<u>14,191</u>
 Cash flow statement			
Net cash inflow from operating activities		13,679	14,191
Returns on investments and servicing of finance	16	(1,170)	(4,542)
Taxation	16	(11,527)	(2,274)
Capital expenditure	16	-	3,150
Increase in cash in the year		<u>982</u>	<u>10,525</u>
 Reconciliation of net cash flow to movement in net funds (Note 17)			
Increase in cash in the year		982	10,525
New finance leases and hire purchase contracts		-	5,499
Net at 1 August 2001		<u>(14,320)</u>	<u>(30,344)</u>
Net at 31 July 2002		<u>(13,338)</u>	<u>(14,320)</u>

Mortgage Choices (IFA) Limited

Notes to the financial statements for the year ended 31 July 2002

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

1.4. Leasing

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 director 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

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	1,051	1,458
Loss on disposal of tangible fixed assets	-	3,938
Auditors' remuneration	1,175	1,235

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2002**

..... continued

4. Interest payable and similar charges	2002	2001
	£	£
Interest payable on loans < 1 yr	1,170	1,859
Hire purchase interest	-	2,683
	<u>1,170</u>	<u>4,542</u>
	<u><u>1,170</u></u>	<u><u>4,542</u></u>
 5. Employees		
Number of employees	2002	2001
The average monthly numbers of employees (including the director) during the year were:		
Advisors	<u>3</u>	<u>4</u>
	<u><u>3</u></u>	<u><u>4</u></u>
 Employment costs	2002	2001
	£	£
Wages and salaries	28,858	25,830
Social security costs	2,396	2,086
	<u>31,254</u>	<u>27,916</u>
	<u><u>31,254</u></u>	<u><u>27,916</u></u>

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2002**

..... continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2002	2001
	£	£
Current tax		
UK corporation tax	1,031	4,313
	<u>1,031</u>	<u>4,313</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2002	2001
	£	£
Profit on ordinary activities before taxation	7,791	26,474
	<u>7,791</u>	<u>26,474</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 July 2001 : 19%)	1,480	5,030
Effects of:		
Capital allowances for period in excess of depreciation	(449)	(717)
	<u>(449)</u>	<u>(717)</u>
Current tax charge for period	1,031	4,313
	<u>1,031</u>	<u>4,313</u>

7. Tangible fixed assets

	Fixtures, Plant and fittings and machinery equipment		Total
	£	£	£
Cost			
At 1 August 2001	5,660	4,300	9,960
	<u>5,660</u>	<u>4,300</u>	<u>9,960</u>
At 31 July 2002	5,660	4,300	9,960
	<u>5,660</u>	<u>4,300</u>	<u>9,960</u>
Depreciation			
At 1 August 2001	3,602	1,870	5,472
Charge for the year	686	365	1,051
	<u>686</u>	<u>365</u>	<u>1,051</u>
At 31 July 2002	4,288	2,235	6,523
	<u>4,288</u>	<u>2,235</u>	<u>6,523</u>
Net book values			
At 31 July 2002	1,372	2,065	3,437
	<u>1,372</u>	<u>2,065</u>	<u>3,437</u>
At 31 July 2001	2,058	2,430	4,488
	<u>2,058</u>	<u>2,430</u>	<u>4,488</u>

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2002**

..... continued

8. Debtors	2002	2001
	£	£
Trade debtors	25,956	52,437
Other debtors	60,754	58,020
Prepayments and accrued income	5,695	-
	<u>92,405</u>	<u>110,457</u>
9. Creditors: amounts falling due within one year	2002	2001
	£	£
Bank overdraft	1,496	3,557
Bank loan	10,242	4,426
Amounts owed to connected companies	3,964	14,522
Corporation tax	6,779	17,274
Other taxes and social security costs	5,911	11,766
Other creditors	2,454	-
Accruals and deferred income	7,628	8,054
	<u>38,474</u>	<u>59,599</u>
The company director provides a personal guarantee for the bank loan.		
10. Creditors: amounts falling due after more than one year	2002	2001
	£	£
Bank loan	<u>1,600</u>	<u>6,338</u>
11. Share capital	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2002**

..... continued

12. Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit for the year	6,760	22,161
Opening shareholders' funds	49,008	26,847
Closing shareholders' funds	<u>55,768</u>	<u>49,008</u>

13. Transactions with director

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

	Amount owing		Maximum in year
	2002	2001	
	£	£	£
S W Reynolds	<u>60,754</u>	<u>51,828</u>	<u>60,754</u>

14. Related party transactions

At the year end the company owed £864 to Investment Choices Limited. SW Reynolds is a director of both companies.

15. Controlling interest

Mr S W Reynolds controls the company.

16. Gross cash flows

	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest paid	(1,170)	(4,542)
Corporation tax paid	<u>(11,527)</u>	<u>(2,274)</u>
Capital expenditure		
Payments to acquire tangible assets	-	(7,350)
Receipts from sales of tangible assets	-	10,500
	<u>-</u>	<u>3,150</u>

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2002**

..... continued

17. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Overdrafts	(3,557)	2,061	(1,496)
Liquid resources	-	-	-
Debt due within one year	(4,426)	5,816	(10,242)
Debt due after one year	(6,338)	4,737	(1,600)
	<u>(10,764)</u>	<u>(1,079)</u>	<u>(11,843)</u>
Net funds	<u>(14,320)</u>	<u>982</u>	<u>(13,338)</u>

Mortgage Choices (IFA) Limited

The following pages do not form part of the statutory accounts.

Mortgage Choices (IFA) Limited

**Detailed trading and profit and loss account
for the year ended 31 July 2002**

	2002		2001	
	£	£	£	£
Sales				
Fees receivable		163,145		128,218
Other income		-		1,664
Management charge		1,000		-
		<u>164,145</u>		<u>129,882</u>
Administrative expenses	<u>155,184</u>		<u>98,866</u>	
		(155,184)		(98,866)
Operating profit	5%	8,961	24%	31,016
Other income and expenses				
Interest payable				
Bank interest	1,170		-	
Interest on loans repayable in less than 5 years	-		1,859	
HP interest and fin. lease charges	-		2,683	
		<u>(1,170)</u>		<u>(4,542)</u>
Net profit for the year		<u><u>7,791</u></u>		<u><u>26,474</u></u>

Mortgage Choices (IFA) Limited

**Administrative expenses
for the year ended 31 July 2002**

	2002	2001
	£	£
Administrative expenses		
Wages and salaries	28,858	25,830
Employer's NI contributions	2,396	2,086
Management expenses	-	12,000
Commissions payable	78,601	41,186
Computer costs	1,092	1,065
Rent and rates	12,754	-
Insurance	1,277	-
Light and heat	474	-
Repairs and maintenance	215	-
Printing, postage and stationery	3,221	1,149
Advertising	7,016	-
Telephone	10,138	127
Motor expenses	3,203	5,509
Legal and professional	-	256
Accountancy	430	-
Audit	1,175	1,235
Bank charges	1,648	1,448
General expenses	1,635	1,579
Depreciation on computer equipment	686	1,029
Depreciation on FF & Equipment	365	429
Profits/losses on disposal of tangible assets	-	3,938
	<u>155,184</u>	<u>98,866</u>