

Registration number 3389156

Mortgage Choices (IFA) Limited
Director's report and financial statements
for the year ended 31 July 2003



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	The Rowleys Partnership LLP 20 Friar Lane Leicester LE1 5RA

Mortgage Choices (IFA) Limited

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Mortgage Choices (IFA) Limited

Director's report for the year ended 31 July 2003

The director presents his report and the financial statements for the year ended 31 July 2003.

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 4.

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	
	31/07/03	01/08/02
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

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 28 May 2004 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 2003 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 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

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The Rowleys Partnership LLP

**The Rowleys Partnership LLP
Chartered Accountants and
Registered auditors
28 May 2004**

**20 Friar Lane
Leicester
LE1 5RA**

Mortgage Choices (IFA) Limited

**Profit and loss account
for the year ended 31 July 2003**

Continuing operations

2003 2002

Notes

£

£

Turnover	2	107,832	164,145
Administrative expenses		(79,144)	(155,183)
Operating profit	3	28,688	8,962
Interest payable and similar charges	4	(571)	(1,170)
Profit on ordinary activities before taxation		28,117	7,792
Tax on profit on ordinary activities	6	(5,008)	(1,031)
Profit on ordinary activities after taxation		23,109	6,761
Retained profit for the year		23,109	6,761
Retained profit brought forward		55,669	48,908
Retained profit carried forward		78,778	55,669

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

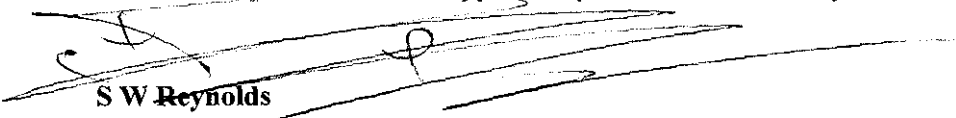
The notes on pages 7 to 12 form an integral part of these financial statements.

Mortgage Choices (IFA) Limited

**Balance sheet
as at 31 July 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		7,313		3,437
Current assets					
Debtors	8	127,878		92,405	
Cash at bank and in hand		1,073		-	
		128,951		92,405	
Creditors: amounts falling due within one year	9	(57,386)		(38,473)	
Net current assets			71,565		53,932
Total assets less current liabilities			78,878		57,369
Creditors: amounts falling due after more than one year	10		-		(1,600)
Net assets			78,878		55,769
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account			78,778		55,669
Shareholders' funds	12		78,878		55,769

The financial statements were approved by the Board on 28 May 2004 and signed on its behalf by


S W Reynolds
 Director

The notes on pages 7 to 12 form an integral part of these financial statements.

Mortgage Choices (IFA) Limited

**Cash flow statement
for the year ended 31 July 2003**

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		28,688	8,962
Depreciation		3,225	1,051
(Increase) in debtors		(35,473)	18,052
Increase in creditors		17,672	(14,385)
Net cash inflow from operating activities		<u>14,112</u>	<u>13,680</u>
 Cash flow statement			
Net cash inflow from operating activities		14,112	13,680
Returns on investments and servicing of finance	15	(571)	(1,170)
Taxation	15	(1,000)	(11,527)
Capital expenditure	15	(7,101)	-
Increase in cash in the year		<u>5,440</u>	<u>983</u>
 Reconciliation of net cash flow to movement in net debt (Note 16)			
Increase in cash in the year		5,440	983
Net funds at 1 August 2002		<u>(13,338)</u>	<u>(14,320)</u>
Net debt at 31 July 2003		<u>7,898</u>	<u>(13,338)</u>

Mortgage Choices (IFA) Limited

Notes to the financial statements for the year ended 31 July 2003

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

2003	2002
£	£
3,225	1,051
1,235	1,175
<u> </u>	<u> </u>

4. Interest payable and similar charges

Interest payable on loans < 1 yr

2003	2002
£	£
571	1,170
<u> </u>	<u> </u>

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2003**

..... continued

5. Employees

Number of employees	2003	2002
The average monthly numbers of employees (including the director) during the year were:		

	<u>2</u>	<u>3</u>
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Employment costs	2003	2002
	£	£

Wages and salaries	14,301	28,858
Social security costs	848	2,396
	<u>15,149</u>	<u>31,254</u>

6. Tax on profit on ordinary activities

Analysis of charge in period	2003	2002
	£	£

Current tax

UK corporation tax	<u>5,008</u>	<u>1,031</u>
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Mortgage Choices (IFA) Limited

Notes to the financial statements
for the year ended 31 July 2003

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7. Tangible fixed assets	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 August 2002	5,660	4,300	9,960
Additions	2,582	4,519	7,101
At 31 July 2003	<u>8,242</u>	<u>8,819</u>	<u>17,061</u>
Depreciation			
At 1 August 2002	4,288	2,235	6,523
Charge for the year	2,237	988	3,225
At 31 July 2003	<u>6,525</u>	<u>3,223</u>	<u>9,748</u>
Net book values			
At 31 July 2003	<u>1,717</u>	<u>5,596</u>	<u>7,313</u>
At 31 July 2002	<u>1,372</u>	<u>2,065</u>	<u>3,437</u>
8. Debtors		2003	2002
		£	£
Trade debtors		35,202	25,956
Amount owed by connected companies		1,697	-
Other debtors		87,082	60,754
Prepayments and accrued income		3,897	5,695
		<u>127,878</u>	<u>92,405</u>

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2003**

..... continued

9. Creditors: amounts falling due within one year	2003 £	2002 £
Bank overdraft	-	1,496
Bank loan	8,971	10,242
Amounts owed to connected companies	3,100	3,964
Corporation tax	10,790	6,778
Other taxes and social security costs	12,763	5,911
Other creditors	2,479	2,454
Accruals and deferred income	19,283	7,628
	<u>57,386</u>	<u>38,473</u>
The company director provides a personal guarantee for the bank loan.		
10. Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loan	<u>-</u>	<u>1,600</u>
11. Share capital	2003 £	2002 £
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>
12. Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the year	23,109	6,761
Opening shareholders' funds	55,769	49,008
Closing shareholders' funds	<u>78,878</u>	<u>55,769</u>

Mortgage Choices (IFA) Limited

Notes to the financial statements
for the year ended 31 July 2003

..... continued

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 £
	2003 £	2002 £	
S W Reynolds	<u>87,082</u>	<u>60,754</u>	<u>87,082</u>

14. Controlling interest

Mr S W Reynolds controls the company.

15. Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest paid	<u>(571)</u>	<u>(1,170)</u>
Taxation		
Corporation tax paid	<u>(1,000)</u>	<u>(11,527)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(7,101)</u>	<u>-</u>

Mortgage Choices (IFA) Limited

**Notes to the financial statements
for the year ended 31 July 2003**

..... continued

16. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	-	1,073	1,073
Overdrafts	(1,496)	1,496	-
	<u>(1,496)</u>	<u>2,569</u>	<u>1,073</u>
Debt due within one year	(11,842)	2,871	(8,971)
Net funds	<u>(13,338)</u>	<u>5,440</u>	<u>(7,898)</u>

Mortgage Choices (IFA) Limited

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