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Buckles Holdings Limited
Annual Report and Accounts
For The Year Ended 30 April 2006

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FRIDAY



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15/12/2006
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CHAIRMAN'S STATEMENT

In my first full year as your Chairman, I am pleased to report excellent progress in achieving our key objectives. I do not wish to steal Nigel Speirs thunder by going into detail, but I am delighted with the strength of our adviser force, the commitment of our support staff and the performance of my fellow Board members.

Chris Kerin has performed in an exemplary manner in his leadership of Buckles Investment Services and May Robinson has delivered operational support at the highest level. We have welcomed Clare Dyer as Finance Director and she has had a substantial effect, ably assisted by Mike Powell.

Buckles is committed to excellence through its training programme and its desire to serve its clients through the establishment of the Snowdonia group of funds. We are determined to continue on this path in building a premier body of advisers in the financial services arena.

I join with Nigel in thanking each and every one of our staff members who have made such a vital contribution to the success of Buckles. I look forward to seeing all our people in our new premises and providing assistance in building upon this excellent year.

It would be remiss of me not to pay tribute to Nigel's performance, not only over this year but also since the inception of Buckles and I am pleased to use this opportunity to do so.

David Owen
14th November 2006

CHIEF EXECUTIVE STATEMENT

This has been another successful year with gross commissions increasing by 38% to £4.3m (2005 £3.1). The year was also a profitable one with profit before tax of £490,918 (2005 - £265,409) an increase of 85%.

During the year the company concentrated on delivering its agreed strategy. This is firstly to continue to develop new advisers through the graduate trainee scheme. Nine graduates qualified as advisers in 2005/6, we ended 2006 with thirty-three advisers. In addition, the company entered the new financial year with eight graduates in training: these will become advisers during the current year. We have continued to pursue excellence in service through continuous professional development. Our advisers sat 50 exams in 2005/6.

The second part of our strategy is to grow our client bank organically and through purchases. In 2005/6 we purchased two client banks bringing in a further 625 clients. We also added a further 458 clients organically. In 2006/7, since the year end we have purchased an additional 3811 clients. Our current client bank is 15,815.

The third part of our strategy is to grow funds under management. The Snowdonia OEIC (established October 2004) has attracted more than £100 million in its first two years of operation. This provides renewal income to Buckles of £750,000 per annum on an ongoing basis. Total renewal income in the year reported on grew to £540,906 (2005 £229,283) which represents 12.5% (2005 7%) of total income. Renewal income will grow further in 2006/7.

During the year we have made substantial changes to our Board of Directors in order to strengthen and broaden the Management team. David Owen completed his first year as Chairman, Chris Kerin was appointed as a Director and Clare Dyer was appointed as Finance Director on 1st April 2006. Clare brings experience from an AIM listed company and is a welcome addition to our team.

We intend to continue our growth strategy in 2006/7. This will mean an increase in overhead and a likely reduction in profitability. We are committed to investment in technology and the graduate scheme. 2006/7 has also seen a move of premises.

We continue to follow our mission statement "To be our client's financial adviser, not just a financial adviser". Our belief is that clients wish to enjoy face to face quality independent advice.

On behalf of the Board, I would like to thank all our staff who have contributed to this success. Without all their hard work, we would not be able to achieve the success we have.

Nigel Speirs
Chief Executive
14th November 2006

Directors and Advisers

Directors

Chairman (Non Executive)

D G Owen

Executive

Nigel Speirs

May Robinson

Clare Dyer

Christopher Kerin

Auditors

Harold Smith

Unit 32, Llys Edmund Prys

St Asaph Business Park

St Asaph

Denbighshire

LL17 0JA

Morris & Co

1 Heritage Court

Lower Bridge Street

Chester

Cheshire

CH1 1RD

Banker

NatWest Bank

Wrexham Commercial Office

PO Box 47

Wrexham

LL11 1LS

Registered Office

Derwen House,

Ffordd Derwen,

Rhyl,

Denbighshire.

LL18 2LS

Directors' Report

The Directors present their report and the audited consolidated accounts of Buckles Holdings Ltd and its subsidiaries for the year ended 30 April 2006.

Principal Activities and Review of Business Activities

The principal activities of the Company and its subsidiaries Buckles Investment Services Limited and Buckles Limited continue to be the provision of financial management and consultancy advice.

The Chairman's statement on page 3 contains a commentary on the Group's performance during the year and details of current activities and proposed developments.

Results and Dividends

The full results for the year are set out in the consolidated profit and loss account on page 12.

The profit after taxation was £357,364 (2005: £198,540). The Directors do not recommend the payment of a final dividend for the year.

Dividends paid and proposed absorb £203,899 leaving £153,465 to be transferred to reserves.

Charitable Donations

During the year donations for charitable purposes amounted to £1,475. There were no contributions for political purposes.

Directors and their Interests

The Directors who served during the year and their interests, including their spouses and infant children, in the shares of the Company were as follows:

Ordinary A shares of £1.00p each

	30 April 2006	30 April 2005
N Speirs	46,562	46,560
M M Robinson	5,713	5,712
D G Owen	-	-
C Kerin (appointed 1st April 2006)	20,012	n/a
C Dyer (appointed 1st April 2006)	-	n/a

'B', 'C' etc Ordinary shares of £1.00p each

	30 April 2006	30 April 2005
N Speirs	-	1
M M Robinson	-	1
D G Owen	-	-
C Kerin (appointed 1st April 2006)	-	n/a
C Dyer (appointed 1st April 2006)	-	n/a

In November 2005, the 'B', 'C' etc Ordinary shares were converted into Ordinary shares.

N Speirs held two shares and M M Robinson held one share in Buckles Investment Services at 30 April 2005, no such shares were held at 30 April 2006.

Directors' Report

In accordance with the Company's Articles of Association, Nigel Speirs retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election. As recent appointees to the Board, Chris Kerin and Clare Dyer will be seeking election for the first time.

The Company maintains insurance in respect of the Directors and officers against any such liabilities as are referred to in Section 310 of the Companies Act 1985.

The Board

The Board currently comprises the non-executive Chairman and four executives. The Board regards David Owen as independent.

David Owen, Non-Executive Chairman,
Nigel Speirs, Chief Executive Officer and Company Secretary
Christopher Kerin, Managing Director Buckles Investment Services Limited
May Robinson, Chief Operating Officer
Clare Dyer, Chief Financial Officer

The Board met for twelve formal Board meetings in the year.

The Board is responsible for the leadership of the Company and the Group. It delegates day-to-day responsibility to the executive management. The balance of the Board is such that no one individual or small group of individuals has unfettered powers of decision. The Board is responsible for Group strategy, setting and monitoring budgets, acquisition and investment policy and consideration of any other significant financial matters.

Relations with Shareholders

The Board encourages dialogue with all shareholders. The AGM is used to communicate with private shareholders who are encouraged to attend and to participate.

Shareholders can gain access to the Annual Accounts, and other information via the Chief Financial Officer.

Internal Control

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. Although no system can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance regarding the safeguarding of assets against unauthorised use or disposition, the maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

The Directors have implemented an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process has just been started and will be evaluated by the board in the forthcoming year.

The Group has an established organisational structure with clear lines of responsibility, operating procedures and authority levels. A budget, approved by the Board, is set annually and actual performance is monitored against the budget. Significant variances are examined and remedial action taken where necessary.

Directors' Report

Going Concern

The Directors confirm that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

Supplier Payment Policy

The company adheres to the payment terms that have been agreed with a supplier. Where terms have not been specifically agreed, it is the Company's policy to settle invoices close to the end of the month of invoicing. Adherence to these terms is dependent upon suppliers sending accurate and adequately detailed invoices to the correct address on a timely basis.

The actual number of days taken to pay suppliers on average was 28 days (2005 23 days).

Annual General Meeting

A notice convening the Annual General Meeting to be held on 7th December 2006 at 2pm at Elwy Hall, Rhyl is enclosed with this report.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Harold Smith and Morris & Co as joint auditors to the Company will be put to the Annual General Meeting.

By Order of the Board



.....
Nigel Speirs

Secretary
14th November 2006

Statement of 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 affairs of the Company and of the Group and of the profit or loss of the Group for that year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then 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; and
- 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 Group and enable them to ensure that the financial statements comply with the Companies Act 1985.

They are also responsible for safeguarding the assets of the Group and for taking steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors, in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board on 14th November 2006

Independent Auditors Report To The Shareholders Of Buckles Holdings Limited

We have audited the financial statements of Buckles Holdings Limited on pages 12 to 25 for the year ended 30th April 2006 which comprise Group Profit and Loss Account, Balance Sheet, Cash Flow Statements and related notes.. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Directors Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records or 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other Information comprises only the Director's report, the Chairman's Report and the Chief Executive's Report. We consider the implications for our report if we became aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

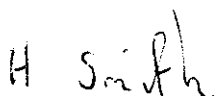
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors Report To The Shareholders Of Buckles Holdings Limited

Opinion

In our opinion:

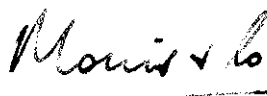
- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 April 2006 and of the group's profit for the year then ended; and
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Directors' Report is consistent with the Financial Statements.



Harold Smith
Registered Auditor

15th November 2006

Unit 32, Llys Edmund Prys
St Asaph Business Park
St Asaph
Denbighshire
LL17 0JA



Morris & Co
Registered Auditor

15th November 2006

1 Heritage Court
Lower Bridge Street
Chester
Cheshire
CH1 1RD

Consolidated Profit And Loss Account

	Notes	2006 £	2005 £
Turnover		4,307,721	3,119,330
Administrative expenses		(3,803,739)	(2,801,760)
Exceptional item		-	(46,690)
Group operating profit	1	503,982	270,880
Interest	2	(13,064)	(5,471)
Profit on ordinary before taxation		490,918	265,409
Taxation on profit on ordinary activities	3	(133,554)	(66,869)
Profit on ordinary activities after taxation	14	357,364	198,540

A statement of the movement on the profit and loss account appears as note 13 to these financial statements.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

All activities are continuing.

Balance Sheet

	Notes	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Fixed assets					
Intangible assets	5	502,204	276,931	275,046	129,937
Tangible assets	6	55,279	61,180	26,096	21,144
Investment in subsidiaries	7	-	-	80,000	80,000
		<u>557,483</u>	<u>338,111</u>	<u>381,142</u>	<u>231,081</u>
Current assets					
Debtors	8	935,334	739,430	-	2,400
Cash at bank		732	5,263	314	24
		<u>936,066</u>	<u>744,693</u>	<u>314</u>	<u>2424</u>
Current liabilities					
Amounts falling due within one year	9	(972,626)	(767,446)	(284,355)	(231,245)
Net current liabilities		<u>(36,560)</u>	<u>(22,753)</u>	<u>(284,041)</u>	<u>(228,821)</u>
Total assets less current liabilities		520,923	315,358	97,101	2,260
Long term creditors	10	(50,000)	-	(50,000)	-
Provisions for liabilities and charges	11	(6,909)	(6,909)	-	-
Net assets		<u>464,014</u>	<u>308,449</u>	<u>47,101</u>	<u>2,260</u>
Capital and reserves					
Called up share capital	12	124,701	124,701	124,701	124,701
Share premium account	13	106,009	103,899	105,999	103,899
Profit and loss account	13	233,304	79,839	(183,599)	(226,340)
Equity shareholders' funds	14	464,014	308,439	47,101	2,260
Minority Interest		-	10	-	-
		<u>464,014</u>	<u>308,449</u>	<u>47,101</u>	<u>2,260</u>

The financial statements on pages 12 to 25 were approved by the Board of Directors on 14th November 2006 and signed on their behalf by:



Clare Dyer



Nigel Speirs

Consolidated Cash Flow Statement

		2006	2005
	Notes	£	£
Cash flow from operating activities	20	563,842	369,387
Returns from investments and servicing of finance	21	(13,064)	(5,471)
Taxation	21	(25,979)	-
Capital expenditure and financial investment	21	(165,532)	(196,985)
Equity dividends paid		<u>(203,899)</u>	<u>(376,984)</u>
Net cash (outflow)/inflow before financing		155,368	(210,053)
Financing	21	<u>(83,444)</u>	<u>(13,884)</u>
Increase / (Decrease) in cash	24	<u>71,924</u>	<u>(223,937)</u>

Principle Accounting Policies

The following accounting policies have been adopted in preparing the Group's financial statements.

1 Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 1985, as amended, and with applicable accounting standards under the historical cost convention.

2 Basis of consolidation

The consolidated accounts incorporate the accounts of the Company and all Group undertakings. Intra-group sales and profits are eliminated fully on consolidation.

As a consolidated profit and loss account is published, a separate profit and loss account of the parent Company is omitted from the Group accounts by virtue of the exemption granted by Section 230 of the Companies Act 1985.

3 Turnover

Turnover represents total commissions receivable by the group for services provided. Commission relating to new business (initial commission) is recognised as income when the business is introduced in accord with application note G Revenue Recognition, Amendment to FRS 5 and UITF 40.

Commission receivable on indemnity terms.

In instances in which commission have been received under indemnity terms, if policies lapse then this commission becomes repayable to the product provider (clawback). These are recognised as they become payable.

The total turnover of the group for the year has been derived from its principle activity wholly undertaken in the United Kingdom.

4 Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation has been provided so as to write off the cost of tangible fixed assets less estimated residual value, by equal instalments over their estimated useful lives, at the following annual rates:

Short leasehold improvements	20% on Cost
Plant and machinery (including computers and software)	25% on Cost
Fixtures, fittings and equipment	20% on Cost

5 Leasing

Rentals on operating leases are charged to the profit and loss account in the periods in which they fall due.

Principle Accounting Policies

6 Intangible Assets

As present obligations are paid, costs are capitalised in accordance with the provision of FRS12 and written off in equal annual instalments over its expected useful economic life of 20 years.

Businesses acquired have been dealt with in the consolidated accounts using acquisition accounting. Upon the acquisition of a business, fair values are attributed to the identifiable assets and liabilities acquired that reflect the condition at the date of acquisition and any required adjustments made to bring the accounting policies of the businesses acquired into alignment with those of the Group.

Where the consideration paid exceeds the fair value of the net assets acquired, the difference is treated as goodwill.

In calculating intangible assets, the total consideration both actual and deferred is taken into account. Where the deferred consideration is contingent and dependent upon future trading performance an estimate of the value of the likely consideration payable is made. This contingent consideration is reassessed annually.

7 Taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Corporation tax payable is provided on taxable profits at the current rate.

8 Pensions

The group operates a defined contribution pension scheme. Contributions are payable for the year are charged in the profit & loss account

Notes to the Financial Statements

1	Profit on ordinary activities before taxation	2006	2005
		£	£
	The profit on ordinary activities before taxation is stated after charging:		
	Depreciation (note 6)	19,982	21,288
	Amortisation of goodwill (note 5)	31,533	8,705
	Operating lease rentals		
	Hire of plant and machinery	56,135	43,165
	Property	25,000	25,000
	Auditors' remuneration		
	Audit fees (Company £10,000; 2005 £10,000)	27,897	20,563
	Pension costs (defined contribution)	166,195	102,207
	Directors' remuneration		
	Fees	24,675	28,200
	Management remuneration	140,402	151,724
	Exceptional Items		
	Exceptional bank charges and interest	-	46,690
2	Interest Payable	2006	2005
		£	£
	On Bank Loans and overdrafts	13,186	5386
	On other loans repayable within five years	-	160
		13,186	5,546
	Interest receivable	(122)	(75)
		13,064	5,471
3	Taxation based on profit for the year	2006	2005
		£	£
	Corporation tax at 30%	136,091	59,960
	Adjustment in respect of previous years	(2,537)	-
	Deferred tax (note 11)	-	6,909
		133,554	66,869
	Reconciliation to the current year tax charge		
	Operating profit on ordinary activities before taxation	490,918	265,409
	Tax on above operating profit at 30% (2005 30%)	147,275	79,623
	Disallowable expenses and other permanent timing differences	(11,184)	(19,663)
		136,091	59,960
4	Dividends on equity shares	2006	2005
		£	£
	Equity shares		
	Interim paid	203,899	270,884

Notes to the Financial Statements

5 Intangible fixed assets - Group

	Client Database £	Goodwill £	Total £
Cost			
At 1 May 2005	291,886	-	291,886
Additions	153,551	-	153,551
On acquisition	<u>50,000</u>	<u>53,255</u>	<u>103,255</u>
At 30 April 2006	<u>495,437</u>	<u>53,255</u>	<u>548,692</u>
Amortisation			
At 1 May 2005	14,955		14,955
Provided during the year	<u>28,970</u>	<u>2,563</u>	<u>31,533</u>
At 30 April 2006	<u>43,925</u>	<u>2,563</u>	<u>46,488</u>
Net book amount			
At 30 April 2006	<u>451,512</u>	<u>50,692</u>	<u>502,204</u>
At 30 April 2005	<u>276,931</u>	<u>-</u>	<u>276,931</u>

Intangible fixed assets - Company

	Client Databases £
Cost	
At 1 May 2005	131,326
Additions	<u>153,551</u>
At 30 April 2006	<u>284,877</u>
Amortisation	
At 1 May 2005	1,389
Provided during the year	<u>8,442</u>
At 30 April 2006	<u>9,831</u>
Net book amount	
At 30 April 2006	<u>275,046</u>
At 30 April 2005	<u>129,937</u>

Notes to the Financial Statements

6 Tangible fixed assets - Group

	Land & buildings short leasehold £	Plant & Fixtures, machinery £	Total £
Cost			
At 1 May 2005	12,249	235,175	247,424
Additions	-	14,081	14,081
At 30 April 2006	<u>12,249</u>	<u>249,256</u>	<u>261,505</u>
Depreciation			
At 1 May 2005	3,782	182,462	186,244
Charged in year	2,450	17,532	19,982
At 30 April 2006	<u>6,232</u>	<u>199,994</u>	<u>206,226</u>
Net book value			
At 30 April 2006	<u>6,017</u>	<u>49,262</u>	<u>55,279</u>
At 30 April 2005	<u>8,467</u>	<u>52,713</u>	<u>61,180</u>

Tangible fixed assets - Company

	Plant & Fixtures, machinery £
Cost	
At 1 May 2005	184,919
Additions	12,315
At 30 April 2006	<u>197,234</u>
Depreciation	
At 1 May 2005	163,775
Charged in year	7,363
At 30 April 2006	<u>171,138</u>
Net book amount	
At 30 April 2006	<u>26,096</u>
At 30 April 2005	<u>21,144</u>

The leasehold property owned by the Group is held on a short term lease with less than 50 years before the lease expires.

Notes to the Financial Statements

7 Fixed assets – investments in subsidiaries

	Company subsidiary undertaking £
At 1 May 2005	80,000
Additions in year	-
At 30 April 2006	<u>80,000</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Subsidiary undertakings	Country of incorporation	Equity & votes held	Type of business
Buckles Investment Services Limited	England	100%	IFA
Buckles Limited	England	100%	IFA

During the year ended 30 April 2006 the Shareholders of Buckles Limited gifted their shares to Buckles Holdings Limited at no cost. All investments in subsidiary companies are held by the Company.

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
8 Debtors - due within one year				
Trade debtors	872,640	624,318	-	-
Other debtors	1,150	68,404	-	-
Prepayments	61,544	46,708	-	2,400
	<u>935,334</u>	<u>739,430</u>	<u>-</u>	<u>2,400</u>

Notes to the Financial Statements

9 Creditors – amounts falling due within one year

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Bank Loans and Overdrafts	185,616	345,515	-	83,444
Trade creditors	318,051	178,352	(1,866)	5,636
Corporation tax	195,129	87,554	78,249	29,499
Amounts owed to subsidiary Companies	-	-	136,960	63,949
Other taxation and social security	60,949	74,480	4,680	312
Others creditors	100,659	65,444	26,700	45,700
Accruals	112,222	16,101	39,632	2,705
	<u>972,626</u>	<u>767,446</u>	<u>284,355</u>	<u>231,245</u>

There is a right of set off incorporated in all legal mortgages, life policies, and mortgage debentures in respect of the bank loans and overdrafts. There is an unlimited inter-company composite guarantee in relation to the bank borrowings of the group.

10 Creditors – amounts falling due after one year

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Others creditors	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>

11 Provision for liabilities and charges – Group

	Deferred taxation £
As 1 May 2005 and 30 April 2006	<u>6,909</u>

12 Share Capital

	2006 £	2005 £
Authorised		
200,000 A ordinary shares of £1 each	199,991	199,991
9 B,C, etc Ordinary Shares of £1 each	<u>9</u>	<u>9</u>
Issued and fully paid		
At 1 May 2005 (124,701 A ordinary shares)	<u>124,701</u>	<u>124,701</u>

In November 2005, the 9 issued B, C, D etc ordinary shares were converted to A ordinary shares. All shares have the same equity and voting rights.

Notes to the Financial Statements

13 Group reserves

	Share premium account £	Profit & loss account £
At 1 May 2005	103,899	79,839
Premium on issue of new shares in year	2,100	-
Minority interest	10	-
Profit after tax for the year	-	357,364
Dividends paid	-	(203,899)
At 30 April 2006	<u>106,009</u>	<u>233,304</u>

Company reserves

	Share premium account £	Profit & loss account £
At 1 May 2005	103,899	(226,340)
Premium on issue of new shares in year	2,100	-
Profit after tax for the year	-	178,628
Dividends paid	-	(135,887)
At 30 April 2006	<u>105,999</u>	<u>(183,599)</u>

The group paid an unsupported dividend in the year, this was contrary to S263 of the Companies Act 1985.

14 Reconciliation of movement on shareholders' funds

Group	2006 £	2005 £
Profit on ordinary activities after taxation	357,364	198,540
Dividends	<u>(203,899)</u>	<u>(270,884)</u>
	153,465	(72,344)
New share premium	2,100	-
Minority interest	10	-
Net addition/(depletion) to shareholders' funds	155,575	(72,344)
Shareholders' funds at 1 May 2005	<u>308,439</u>	<u>380,783</u>
Closing equity shareholders' funds at 30 April 2006	<u>464,014</u>	<u>308,439</u>

Notes to the Financial Statements

15 Guarantees and other financial commitments

At 30 April 2006 the Group and Company had annual commitments under non-cancellable operating leases as follows:

	Group Other £ 2006	Group Other £ 2005	Company Other £ 2006	Company Other £ 2005
Expiry date:				
between two and five years	56,135	37,338	-	-
after five years	-	-	-	-

16 Capital commitments

Neither the group nor the company had any capital commitments at the 30th April 2006 (2005: £nil)

17 Post Balance Sheet events

On the 4th of September 2006 the group purchased the client database and certain fixed assets of the Quinn Thomas Partnership for £957,000.

18 Profit earned for ordinary shareholders

The profit and loss account of the Company is omitted from the Group accounts by virtue of the exemption granted by Section 230 of the Companies Act 1985. The profit attributable for ordinary shareholders of the parent company and included in the accounts of the Group amounted to £178,628 (2005: £76,494).

19 Staff numbers and costs

The average monthly number of employees (including directors) during the year was:

	2006 No.	2005 No
Management	5	5
Other employees	62	55
	<u>67</u>	<u>60</u>

Their aggregate payroll costs were as follows:

	2006 £	2005 £
Wages & salaries	1,658,978	1,286,445
Pension costs	108,774	102,207
	<u>1,767,752</u>	<u>1,388,652</u>

Notes to the Financial Statements

20 Reconciliation of operating profit to net cash flow from operating activities

	2006 £	2005 £
Operating profit	503,982	270,880
Depreciation charges	19,982	21,288
(Increase)/decrease in debtors	(176,844)	3,000
Increase in creditors	185,189	65,514
Amortisation of goodwill	31,533	8,705
Net cash inflow from operating activities	<u>563,842</u>	<u>369,387</u>

21 Gross cash flows

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest received	122	75
Interest paid	(13,186)	(5,546)
	<u>(13,064)</u>	<u>(5,471)</u>
Taxation		
Corporation tax paid	(25,979)	-
Investing Activities		
Payments to acquire tangible fixed assets	(14,081)	(30,099)
Payments to acquire intangible fixed assets	(153,551)	(166,886)
Increase in share premium	2,100	-
	<u>(165,532)</u>	<u>(196,985)</u>
Financing		
Other new short term loans	-	83,444
Repayment of bank loans	(83,444)	(97,328)
	<u>(83,444)</u>	<u>(13,884)</u>

Notes to the Financial Statements

22 Reconciliation of net cash flow to movement in net funds

	£
Increase in cash in the year	155,368
Net debt at 1 May 2005	<u>(340,252)</u>
Net debt at 30 April 2006	<u>(184,884)</u>

23 Acquisitions - Buckles Limited

The net liabilities and results of the acquired business are included in the consolidated accounts from the date of acquisition. The following table sets out the effect of the acquisition of Buckles Limited by the group in the year to 30 April 2006 on consolidated balance sheet. Acquisition accounting has been applied in all cases. The goodwill arising on this acquisition has been capitalised and is being amortised over 20 years.

	Book Values of acquired business	Adjustments to align accounting policies	Revaluations	Fair Values at date of acquisition
	£	£	£	£
Fixed Assets - Intangible	50,000	-	-	50,000
Debtors	19,060	-	-	19,060
Creditors within in one year	(98,356)	-	-	(98,356)
Creditors over one year	(23,959)	-	-	(23,959)
Net Assets Acquired	<u>(53,255)</u>	<u>-</u>	<u>-</u>	<u>(53,255)</u>
Consideration Cash				<u>0</u>
Goodwill				<u>(53,255)</u>

24 Analysis of changes in net debt

	At 1 May 2005	Cash flow	At 30 April 2006
	£	£	£
Cash at bank	5,263	(4,531)	732
Bank Overdrafts	(262,071)	76,455	(185,616)
Bank Loans	(83,444)	83,444	0
Net Debt	<u>(340,252)</u>	<u>155,368</u>	<u>(184,884)</u>

Notice of Annual General Meeting

Notice is hereby given that the 2006 Annual General Meeting of Buckles Holdings Ltd will be held at 2pm on 7th December 2006 at Elwy Hall for the following purposes:

Ordinary Business

1. To receive and adopt the reports of the Directors and Auditors and the Statement of Accounts for the year ended 30 April 2006.
2. To reappoint Harold Smith and Morris & Co as joint Auditors.
3. To authorise the Directors to fix the remuneration of the Auditors.
4. To re-elect N Speirs as a Director who retires by rotation.
5. To elect C Kerin as a Director who was appointed during the year.
6. To elect C Dyer as a Director who was appointed during the year

By Order of the Board

Nigel Speirs
Secretary

Derwen House
Ffordd Derwen
Rhyl
Denbighshire
LL18 2LS

14th November 2006

Form of Proxy

I/We

(insert name, block capitals please)

member/members of Buckles Holdings Ltd hereby appoint the Chairman of the Meeting or the following person

(insert name, block capitals please)

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Elwy Hall, on 7th December 2006 at 2pm and at any adjournment thereof.

I/We desire that my/our proxy vote on the Resolutions proposed to be submitted as follows:

	Ordinary Business For/Against	For	Against
1.	Adoption of the Directors' and Auditors' Reports and the Statement of Accounts for the year ended 30 April 2006		
2.	Reappointment of Harold Smith and Morris & co as joint auditors		
3.	Directors' authority to fix remuneration of Auditors		
4.	Re-election of N Speirs as a Director who retires by rotation		
5.	Election of C Kerin as a Director who was appointed during the year		
6.	Election of C Dyer as a Director who was appointed during the year		

Signature

Dated

Notes

1. A member may appoint a proxy of their own choice. If such an appointment is made, delete the words "the Chairman of the Meeting" and insert the name of the person appointed proxy in the space provided.
2. If the appointer is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, they will exercise their discretion as to how they vote or whether they abstain from voting.
5. To be valid, this form of proxy must be completed and deposited with the company secretary (Nigel Speirs) at the company's registered office not later than 48 hours before the time fixed for holding the Meeting or adjourned Meeting.