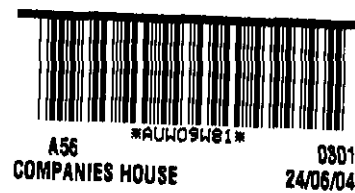


Registered number
4134643

Alfa Mortgage Services Limited
Report and Financial Statements
30 June 2003



Alfa Mortgage Services Limited
Report and Financial Statements
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Alfa Mortgage Services Limited

Directors' Report

The directors present their report and financial statements for the year ended 30 June 2003.

Principal activities

The company's principal activity during the year continued to be that of mortgage brokers.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2003	2002
D R Head	375	1,000
I B Rose (appointed 1 March 2003)	375	-

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 profit or loss for that period. 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; 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 maintaining 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

A resolution to reappoint J S Rose & Co as auditors will be put to the members at the Annual General Meeting.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 28 May 2004.



I B Rose
Director

Alfa Mortgage Services Limited
Independent auditors' report
to the shareholders of Alfa Mortgage Services Limited

We have audited the financial statements of Alfa Mortgage Services Limited for the year ended 30 June 2003 which comprise pages 4 to 8. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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

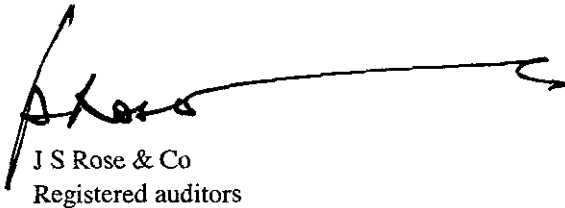
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 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.

Alfa Mortgage Services Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



J S Rose & Co
Registered auditors

Fiosam House
25 Station Road
New Barnet
Hertfordshire EN5 1PH

1 June 2004

Alfa Mortgage Services Limited
Profit and Loss Account
for the year ended 30 June 2003

	Notes	2003 £	2002 £
Turnover		1,501,597	243,835
Cost of sales		(1,477,182)	(188,627)
Gross profit		<u>24,415</u>	<u>55,208</u>
Administrative expenses		(151,313)	(88,645)
Operating loss	2	<u>(126,898)</u>	<u>(33,437)</u>
Interest receivable		80	-
Interest payable		(352)	(38)
Loss on ordinary activities before taxation		<u>(127,170)</u>	<u>(33,475)</u>
Tax on loss on ordinary activities		-	-
Loss for the financial year		<u>(127,170)</u>	<u>(33,475)</u>
Retained loss for the financial year	7	<u>(127,170)</u>	<u>(33,475)</u>

Alfa Mortgage Services Limited
Balance Sheet
as at 30 June 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	3	7,937	1,974
Current assets			
Debtors	4	62,428	6,199
Cash at bank and in hand		<u>44,672</u>	<u>10,642</u>
		107,100	16,841
Creditors: amounts falling due within one year	5	(274,682)	(51,290)
Net current liabilities		<u>(167,582)</u>	<u>(34,449)</u>
Net liabilities		<u>(159,645)</u>	<u>(32,475)</u>
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	(160,645)	(33,475)
Shareholders' funds		<u>(159,645)</u>	<u>(32,475)</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.


I B Rose
Director

Approved by the board on 28 May 2004

Alfa Mortgage Services Limited
Notes to the Financial Statements
for the year ended 30 June 2003

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents fees and commissions received.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Office equipment 20% reducing balance method

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Operating profit	2003	2002
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	1,984	329
Directors' remuneration	16,000	-
Pension costs	480	-
Auditors' remuneration	6,462	-
	<u>6,462</u>	<u>-</u>

3 Tangible fixed assets

	Office equipment
	£
Cost	
At 1 July 2002	2,303
Additions	7,947
At 30 June 2003	<u>10,250</u>
Depreciation	
At 1 July 2002	329
Charge for the year	1,984
At 30 June 2003	<u>2,313</u>
Net book value	
At 30 June 2003	<u>7,937</u>
At 30 June 2002	<u>1,974</u>

Alfa Mortgage Services Limited
Notes to the Financial Statements
for the year ended 30 June 2003

4 Debtors			2003	2002
			£	£
Trade debtors			6,050	1,321
Other debtors			56,378	4,878
			<u>62,428</u>	<u>6,199</u>
 5 Creditors: amounts falling due within one year			2003	2002
			£	£
Bank loans and overdrafts			7,181	-
Trade creditors			245,662	27,399
Other taxes and social security costs			7,323	4,860
Other creditors			14,516	19,031
			<u>274,682</u>	<u>51,290</u>
 6 Share capital			2003	2002
			£	£
Authorised:				
Ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	2003	2002	2003	2002
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1,000	1,000	<u>1,000</u>	<u>1,000</u>
 Movement in share capital			2003	2002
			£	£
At 1 July			1,000	-
Shares issued			-	1,000
			<u>1,000</u>	<u>1,000</u>
At 30 June			<u>1,000</u>	<u>1,000</u>
 7 Profit and loss account			2003	2002
			£	£
At 1 July			(33,475)	-
Retained loss			(127,170)	(33,475)
			<u>(160,645)</u>	<u>(33,475)</u>
At 30 June			<u>(160,645)</u>	<u>(33,475)</u>

Alfa Mortgage Services Limited
Notes to the Financial Statements
for the year ended 30 June 2003

8 Related parties

During the year the company paid fees of £7,650 to, and received commissions of £8,154 from, Alfa Insurance Associates, a business controlled by D R Head.

In addition, the company received commissions of £4,076 from The Alfa Group Limited, a company controlled by D R Head.

9 Controlling party

The company is controlled by the directors.