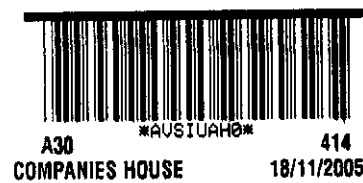


Friendly Loans Limited

Abbreviated financial statements

Year ended 31 January 2005
Registered number 4291279



Contents

Report of the independent auditors of Friendly Loans Limited	1
Balance sheet	2
Notes	3-7



St James' Square
Manchester
M2 6DS
United Kingdom

Report of the independent auditors of Friendly Loans Limited

pursuant to section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 7 together with the financial statements of Friendly Loans Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 January 2005.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in such a 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that section and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with that section.

KPMG LLP

Chartered Accountants

Registered Auditor

14th April 2005

Balance sheet
at 31 January 2005

	<i>Note</i>	31 January 2005 £	31 January 2004 £
Fixed assets			
Tangible assets	2	31,747	250
Current assets			
Debtors	3	1,828,452	397,987
Cash at bank and in hand		75,997	14,454
		1,904,449	412,441
Creditors: amounts falling due within one year	4	(1,144,565)	(253,002)
Net current assets		759,884	159,439
Total assets less current liabilities		791,631	159,689
Provisions for liabilities and charges	5	(402)	-
Net assets		791,229	159,689
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account	7	791,228	159,688
Total equity shareholders' funds		791,229	159,689

The notes on pages 3 to 7 form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act of 1985 relating to small companies. These financial statements were approved by the board of directors on 14th April 2005 and signed on its behalf by:


S Stylianou
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently in dealing with items that are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Related parties

As the company is a wholly owned subsidiary of the ultimate parent undertaking, Think Money Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by the straight-line method over their estimated useful economic lives as follows:

Furniture and equipment	-	4 years
Leasehold improvements	-	10 years

Pension costs

The company does not contribute into a defined benefit or defined contribution scheme.

Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair values and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments due under them are charged to the profit and loss account on a straight-line basis over the lease term.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Notes (continued)

2 Tangible fixed assets

	Furniture and equipment £	Leasehold improvements £	Total £
Cost			
At 1 February 2004	250	-	250
Additions	26,331	10,132	36,463
Disposals	(1,165)	-	(1,165)
	<hr/>	<hr/>	<hr/>
At 31 January 2005	25,416	10,132	35,548
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 February 2004	-	-	-
Charge for period	3,717	254	3,971
Disposal	(170)	-	(170)
	<hr/>	<hr/>	<hr/>
At 31 January 2005	3,547	254	3,801
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 January 2005	21,869	9,878	31,747
	<hr/>	<hr/>	<hr/>
At 31 January 2004	250	-	250
	<hr/>	<hr/>	<hr/>

The company held no assets under hire purchase or finance lease agreements during the year (2004 – none).

3 Debtors: amounts falling due within one year

	31 January 2005 £	31 January 2004 £
Prepayments and accrued income	580,933	173,649
Amounts owing from group undertakings	1,247,519	224,089
Deferred taxation (see note 5)	-	249
	<hr/>	<hr/>
	1,828,452	397,987
	<hr/>	<hr/>

Notes (continued)

4 Creditors: amounts falling due within one year

	31 January 2005 £	31 January 2004 £
Bank overdraft	2,548	-
Group tax payable to group accounting	-	16,487
Amounts owed to group undertakings	97,452	-
Trade creditors	295,845	38,791
Corporation tax	346,402	101,738
Other taxation and social security	33,465	42,150
Other creditors	47,173	11,682
Accruals and deferred income	321,680	42,154
	<u>1,144,565</u>	<u>253,002</u>

5 Provisions for liabilities and charges

The movements in deferred taxation during the period are as follows:

	31 January 2005 £	31 January 2004 £
At 1 February 2004	(249)	38
Movement in the period	651	(287)
	<u>402</u>	<u>(249)*</u>

Deferred taxation provided for in the financial statements is calculated using a tax rate of 30%. (2004 - 30%). There is no deferred taxation unprovided in these financial statements.

* The net deferred taxation position gives rise to a deferred taxation asset in the prior year.

	Amount provided 31 January 2005 £	Amount provided 31 January 2004 £
Accelerated capital allowances	<u>402</u>	<u>(249)</u>

Notes (continued)

6 Share capital

	31 January 2005 £	31 January 2004 £
Authorised		
Equity: 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
Equity: 1 ordinary share of £1	1	1
	<hr/>	<hr/>

7 Reserves

	31 January 2005 £	31 January 2004 £
Opening balance	159,688	(115,454)
Retained profit for the year	631,540	275,142
	<hr/>	<hr/>
Closing balance	791,228	159,688
	<hr/>	<hr/>

8 Reconciliation of movements in shareholders' equity

	31 January 2005 £	31 January 2004 £
Profit for the year	631,540	275,142
	<hr/>	<hr/>
Net increase in shareholders' equity	631,540	275,142
Opening shareholders' funds	159,689	(115,453)
	<hr/>	<hr/>
Closing shareholders' equity	791,229	159,689
	<hr/>	<hr/>

Notes *(continued)*

9 Ultimate Parent Company

The company is a subsidiary undertaking of Friendly Group Limited.

The largest and smallest group in which the results of the company are consolidated is that headed by Think Money Group Limited incorporated in the UK. The consolidated accounts of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.