

M5 Group Limited
Unaudited Abbreviated Accounts
30 April 2006

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M5 Group Limited

Abbreviated Accounts

Year Ended 30 April 2006

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M5 Group Limited

Abbreviated Balance Sheet

30 April 2006

	Note	2006 £	2005 £
Fixed Assets	2		
Tangible assets		11,544	23,148
Investments		101	58,649
		<u>11,645</u>	<u>81,797</u>
Current Assets			
Debtors		39,423	36,060
Cash at bank and in hand		109	23,567
		<u>39,532</u>	<u>59,627</u>
Creditors: Amounts falling due within one year	3	38,687	102,453
Net Current Assets/(Liabilities)		845	(42,826)
Total Assets Less Current Liabilities		12,490	38,971
Creditors: Amounts falling due after more than one year		-	28,274
		<u>12,490</u>	<u>10,697</u>
Capital and Reserves			
Called-up equity share capital	4	1,000	1,000
Profit and loss account		11,490	9,697
Shareholders' Funds		12,490	10,697

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 16/2/07..... and are signed on their behalf by:



K F Kleinstuber

The notes on pages 2 to 5 form part of these abbreviated accounts.

M5 Group Limited

Notes to the Abbreviated Accounts

Year Ended 30 April 2006

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2005).

The company has adopted FRSSE 2005 for the first time in the year under review. The move from FRSSE 2002 to FRSSE 2005 has had no material impact on the results for the company in either the current or prior year.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has not resulted in a prior year adjustment for the company.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 25% per annum, straight line
Motor Vehicles	- 25% per annum, straight line
Equipment	- 25% to 33% per annum, straight line

M5 Group Limited

Notes to the Abbreviated Accounts

Year Ended 30 April 2006

1. Accounting Policies *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

M5 Group Limited

Notes to the Abbreviated Accounts

Year Ended 30 April 2006

2. Fixed Assets

	Tangible Assets £	Loans & Investments £	Total £
Cost			
At 1 May 2005	57,452	58,649	116,101
Additions	893	25,000	25,893
Disposals/repayments	—	(83,548)	(83,548)
At 30 April 2006	58,345	101	58,446
Depreciation			
At 1 May 2005	34,304	—	34,304
Charge for year	12,497	—	12,497
At 30 April 2006	46,801	—	46,801
Net Book Value			
At 30 April 2006	11,544	101	11,645
At 30 April 2005	23,148	58,649	81,797

The company has subsidiary companies as follows:

Name	Activity	Country of incorporation	% held
M5 Software Limited	Sale of debt collection software	Great Britain	80
		2006 £	2005 £

Aggregate capital and reserves

M5 Software Limited	17,532	14,304
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Profit and (loss) for the year

M5 Software Limited	3,228	3,188
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Associated undertakings comprise a 0% (2005 - 25%) interest in Improved Financial Solutions Limited which undertakes debt collection activities, together with a 50% interest in M5 Recruitment Limited which trades as a recruitment consultancy.

Partnership investments comprised a 50% interest in Atlantic Capital LLP. This entity was dissolved on 29 November 2005.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

M5 Group Limited

Notes to the Abbreviated Accounts

Year Ended 30 April 2006

3. Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2006 £	2005 £
Bank loans and overdrafts	7,341	-
Hire purchase	-	6,481
	<u>7,341</u>	<u>6,481</u>

4. Share Capital

Authorised share capital:

	2006 £	2005 £
5,000 Ordinary shares of £1 each	5,000	5,000
1,000 "A" Ordinary shares of £1 each	1,000	1,000
1,000 "B" Ordinary shares of £1 each	1,000	1,000
1,000 "C" Ordinary shares of £1 each	1,000	1,000
1,000 "D" Ordinary shares of £1 each	1,000	1,000
1,000 "E" Ordinary shares of £1 each	1,000	1,000
	<u>10,000</u>	<u>10,000</u>

Allotted and called up:

	2006		2005	
	No	£	No	£
Ordinary shares fully paid of £1 each	200	200	200	200
"A" Ordinary shares fully paid of £1 each	375	375	375	375
"B" Ordinary shares fully paid of £1 each	25	25	25	25
"C" Ordinary shares fully paid of £1 each	375	375	375	375
"D" Ordinary shares fully paid of £1 each	25	25	25	25
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

All classes of ordinary share rank equally, except that the directors may decide to declare a dividend on one or more classes and not the other classes.