

**FUNDING NETWORK LOANS  
LIMITED**

**Abbreviated Financial Statements**

**31 December 2006**

**Deloitte & Touche LLP  
Manchester**

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# **FUNDING NETWORK LOANS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

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## **INDEPENDENT AUDITORS' REPORT TO FUNDING NETWORK LOANS LIMITED UNDER SECTION 247 b OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 7, together with the financial statements of Funding Network Loans Limited for the year ended 31 December 2006 prepared under section 226 of the Companies Act 1985

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 that we are required to state to it in a special 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, for our work, for this report, or for the opinions that we have formed.

### **Respective responsibilities of the 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 sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider 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 are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### **Opinion**

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

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Manchester, United Kingdom

5 JUNE 2008

# FUNDING NETWORK LOANS LIMITED

## BALANCE SHEET 31 December 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	2	154,750	59,257
<b>CURRENT ASSETS</b>			
Debtors	3	2,059,464	434,456
Cash at bank and in hand		-	100,235
		2,059,464	534,691
<b>CREDITORS: amounts falling due within one year</b>		(1,850,504)	(407,883)
<b>NET CURRENT ASSETS</b>		208,960	126,808
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		363,710	186,065
<b>PROVISION FOR LIABILITIES AND CHARGES</b>		(14,972)	(4,664)
		348,738	181,401
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	140,000	140,000
Profit and loss account		208,738	41,401
<b>EQUITY SHAREHOLDERS' FUNDS</b>		348,738	181,401

These accounts have been prepared in accordance with the special provisions relating to small companies under S246 Companies Act 1985 with respect to the delivery of individual accounts



P Lewis  
Director  
S JWE 2008

The accompanying notes are an integral part of this balance sheet

# **FUNDING NETWORK LOANS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2006**

### **1. ACCOUNTING POLICIES**

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding period are set out below

#### **Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable Financial Reporting Standard for Smaller Entities (effective June 2002) and United Kingdom law

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows

Fixtures and fittings	20% on cost
Computer equipment	20% on cost

#### **Pensions**

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

#### **Operating Leases**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### **Taxation**

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

## FUNDING NETWORK LOANS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

#### 2. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2006	21,692	83,212	104,904
Additions	23,863	102,384	126,247
At 31 December 2006	45,555	185,596	231,151
<b>Depreciation</b>			
At 1 January 2006	10,815	34,832	45,647
Charge for period	5,265	25,489	30,754
At 31 December 2006	16,080	60,321	76,401
<b>Net book value</b>			
At 31 December 2006	29,475	125,275	154,750
At 31 December 2005	10,877	48,380	59,257

#### 3. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	193,694	90,517
Prepayments and accrued income	16,758	33,328
Amounts owed from related parties	1,781,394	271,206
Directors current account	67,618	10,730
	2,059,464	434,456

# FUNDING NETWORK LOANS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

### 4. CALLED UP SHARE CAPITAL

	2006 £	2005 £
<b>Authorised Number:</b>		
140,000 (2005 10,000) ordinary 'A' class shares of £1 (2005 50p) each	70,000	10,000
140,000 (2005 150,000) ordinary 'B' class shares of £1 (2005 50p) each	70,000	150,000
	<u>140,000</u>	<u>160,000</u>
<b>Allotted, called up and fully paid:</b>		
140,000 (2005 825) ordinary 'A' class shares of £1 each (2005 50p) each	70,000	825
140,000 (2005 139,175) ordinary 'B' class shares of £1 each (2005 50p) each	70,000	139,175
	<u>140,000</u>	<u>140,000</u>

The rights of each class of share can be summarised as follows 'A' shares owned by non-founders and 'B' shareholders are not entitled to vote at general meetings of the company The profits which the company may determine to distribute in respect of any financial period shall be distributed as to 5% of the distribution amongst the holders of 'B' class in proportion to the amounts paid up (excluding premium) by them respectively, and as to 95% of the distribution amongst the holders of the 'A' class shares in proportion to the amounts paid up (excluding premium) by them respectively In the event of a share sale, listing, liquidation or disposal, the 'B' shareholders are entitled to 30% of any proceeds above an amount specified by the Articles, the 'A' shareholders are due to the balance of net exit proceeds

### 5. TRANSACTIONS WITH DIRECTOR

The following loan to the director existed during the year ended 31 December 2006

<b>P Lewis</b>	<b>£</b>
Balance outstanding at start of the year	39,405
Balance outstanding at end of the year	67,618
Maximum balance outstanding during the year	<u>67,618</u>

### 6. POST BALANCE SHEET EVENTS

On 23 March 2007 the entire share capital of the company was acquired by Paymex Limited, a company controlled by Mr TJ O'Neill On acquisition the bank overdraft of the company was fully repaid

It is management's intention to transfer certain trade and assets relating to the Company's broking business to another group company in the coming year The Company will retain certain trade and assets relating to the provision of services to other Paymex group companies and will therefore remain a going concern