

Homes & Mortgages Group Limited

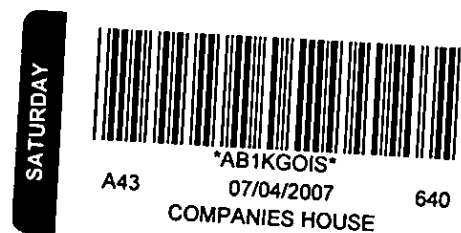
Abbreviated accounts

for the year ended 31 December 2006

Registration Number: 4687439

Phipps Henson McAllister

Chartered Accountants



Homes & Mortgages Group Limited

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Homes & Mortgages Group Limited

Abbreviated balance sheet
as at 31 December 2006

| | | 2006 | | 2005 | |
|---|-------|-----------|-----------|-----------|-----------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 2 | | 3,962 | | - |
| Investments | 2 | | 624,516 | | 623,797 |
| | | | 628,478 | | 623,797 |
| Current assets | | | | | |
| Debtors | | 18,904 | | - | |
| Cash at bank and in hand | | 249 | | - | |
| | | 19,153 | | - | |
| Creditors: amounts falling due within one year | | (930,703) | | (907,584) | |
| Net current liabilities | | | (911,550) | | (907,584) |
| Deficiency of assets | | | (283,072) | | (283,787) |
| Capital and reserves | | | | | |
| Called up share capital | 3 | | 50,000 | | 50,000 |
| Share premium account | | | 40,000 | | 40,000 |
| Profit and loss account | | | (373,072) | | (373,787) |
| Shareholders' funds | | | (283,072) | | (283,787) |

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

Homes & Mortgages Group Limited

Abbreviated balance sheet (continued)

**Director's statements required by Section 249B(4)
for the year ended 31 December 2006**

In approving these abbreviated accounts as director of the company I hereby confirm.

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ,

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2006 and

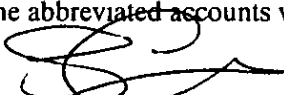
(c) that I acknowledge my responsibilities for

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The abbreviated accounts were approved by the Board on 15 March 2007 and signed on its behalf by



S C Hubbard
Director

Homes & Mortgages Group Limited**Notes to the abbreviated Financial Statements
for the year ended 31 December 2006****1. Accounting policies****1.1. Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2. Turnover

Turnover with regard to mortgage, life insurance and general insurance commission is recognised on the date of exchange of contract. This income is exempt from value added tax.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows.

Land and buildings - Straight line over five years

1.4. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

1.5. 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.

1.6. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

Homes & Mortgages Group Limited

Notes to the abbreviated Financial Statements
for the year ended 31 December 2006

| 2. Fixed assets | Tangible fixed assets | Investments | Total |
|---|-----------------------------|------------------|------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2006 | - | 1,037,105 | 1,037,105 |
| Additions | 4,571 | - | 4,571 |
| At 31 December 2006 | <u>4,571</u> | <u>1,037,105</u> | <u>1,041,676</u> |
| Depreciation and Provision for diminution in value | | | |
| At 1 January 2006 | - | 413,308 | 413,308 |
| Charge for year and movement | 609 | (719) | (110) |
| At 31 December 2006 | <u>609</u> | <u>412,589</u> | <u>413,198</u> |
| Net book values | | | |
| At 31 December 2006 | <u>3,962</u> | <u>624,516</u> | <u>628,478</u> |
| At 31 December 2005 | <u>-</u> | <u>623,797</u> | <u>623,797</u> |
| 2.1. Investment details | | 2006 | 2005 |
| | | £ | £ |
| Subsidiary undertaking | | <u>624,516</u> | <u>623,797</u> |

Homes & Mortgages Group Limited

Notes to the abbreviated Financial Statements
for the year ended 31 December 2006**Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies:

| Company | Country of registration or incorporation | Nature of business | Shares held Class | % |
|-------------------------------|--|-----------------------|----------------------|------|
| Subsidiary undertaking | | | | |
| Home Mortgage Choice Limited | England | Financial services | Ordinary | 100% |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

| | Capital and reserves £ | Profit for the year £ |
|------------------------------|---------------------------|--------------------------|
| Home Mortgage Choice Limited | 624,516 | 719 |

In addition the company owns 100% of the issued share capital of Homes & Mortgages Limited, Homes & Mortgages (Agencies) Limited (formerly Homes and Mortgages Estate Agents Limited) and Pattison Lane Limited. Each of these companies is now dormant and has no assets or liabilities. As part of a restructuring exercise the trade, assets and liabilities of each of these companies were transferred outside of the group in 2005.

| 3. Share capital | 2006 £ | 2005 £ |
|---|----------------|----------------|
| Authorised | | |
| 70,000 Ordinary shares of £1 each | 70,000 | 70,000 |
| 30,000 Preference shares of £1 each | 30,000 | 30,000 |
| | <u>100,000</u> | <u>100,000</u> |
| Allotted, called up and fully paid | | |
| 50,000 Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |
| Equity Shares | | |
| 50,000 Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |