

Homes & Mortgages Group Limited

**Abbreviated accounts
for the year ended 31 December 2005**

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 2005

		2005	2004
Notes	£	£	£
Fixed assets			
Investments	2	623,797	616,601
Creditors: amounts falling due within one year		<u>(907,584)</u>	<u>(917,105)</u>
Net current liabilities		<u>(907,584)</u>	<u>(917,105)</u>
Deficiency of assets		<u>(283,787)</u>	<u>(300,504)</u>
Capital and reserves			
Called up share capital	3	50,000	80,000
Share premium account		40,000	40,000
Profit and loss account		<u>(373,787)</u>	<u>(420,504)</u>
Shareholders' funds		<u>(283,787)</u>	<u>(300,504)</u>

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

The notes on pages 3 to 5 form an integral part of these financial statements.

Homes & Mortgages Group Limited

Abbreviated balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2005**

In approving these abbreviated accounts as directors of the company we 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 2005 and

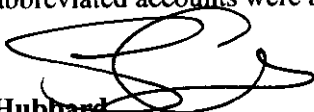
(c) that we acknowledge our responsibilities for:

(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 18 September 2006 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 2005****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. Investments

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

1.3. 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.

1.4. 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 2005

2. Fixed assets

	Investments £	Total £
Cost		
At 1 January 2005	1,037,105	1,037,105
At 31 December 2005	<u>1,037,105</u>	<u>1,037,105</u>
Provision for diminution in value		
At 1 January 2005	420,504	420,504
Movement	(7,196)	(7,196)
At 31 December 2005	<u>413,308</u>	<u>413,308</u>
Net book values		
At 31 December 2005	<u>623,797</u>	<u>623,797</u>
At 31 December 2004	<u>616,601</u>	<u>616,601</u>

2.1. Investment details

	2005 £	2004 £
Subsidiary undertaking	<u>623,797</u>	<u>616,601</u>

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	623,797	80,840

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 during the year.

Homes & Mortgages Group Limited

Notes to the abbreviated Financial Statements
for the year ended 31 December 2005

3. Share capital	2005	2004
	£	£
Authorised		
70,000 Ordinary shares of £1 each	70,000	<i>70,000</i>
30,000 Preference shares of 1 each	30,000	<i>30,000</i>
	<u>100,000</u>	<i><u>100,000</u></i>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	<i>50,000</i>
30,000 Preference shares of £1 each	-	<i>30,000</i>
	<u>50,000</u>	<i><u>80,000</u></i>
Equity Shares		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<i><u>50,000</u></i>

As part of a group restructuring, on 25 October 2005 all the Preference shares were redeemed at par.