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**BUCKINGHAM MORTGAGE  
SERVICES LIMITED  
FINANCIAL STATEMENTS  
31 MARCH 2005**

**Company Registration Number 4887139**

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**BUCKINGHAM MORTGAGE SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2005**

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# BUCKINGHAM MORTGAGE SERVICES LIMITED

## THE DIRECTOR'S REPORT

### YEAR ENDED 31 MARCH 2005

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 March 2005.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company commenced trading on 1 November 2004. The principal activity of the company since that date has been that of mortgage brokers.

In spite of set up costs and absorbing the workload of implementing the new regulations etc, the company made a small, but satisfactory, profit in it's first period of trading. The company has also devoted time and resources to studying for, and investigating, niche markets and this, hopefully, will stand it in good stead in the future enabling it to offer a highly professional and specialised service to meet the needs of certain sectors of the public. The company also intends to invest in, and develop, several marketing initiatives.

#### RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

#### THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 March 2005	At 1 April 2004
G Buckingham	<u>1</u>	<u>1</u>

#### DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BUCKINGHAM MORTGAGE SERVICES LIMITED**

**THE DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2005**

Signed by

A large, stylized handwritten signature in black ink, appearing to be 'G Buckingham'.

G Buckingham  
Director

Approved by the director on .....

27/6/05

# **BUCKINGHAM MORTGAGE SERVICES LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUCKINGHAM MORTGAGE SERVICES LIMITED**

**YEAR ENDED 31 MARCH 2005**

We have audited the financial statements of Buckingham Mortgage Services Limited for the year ended 31 March 2005 on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS**

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# BUCKINGHAM MORTGAGE SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUCKINGHAM MORTGAGE SERVICES LIMITED *(continued)*

YEAR ENDED 31 MARCH 2005

### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*SW Frankson & Co*

S W FRANKSON & CO  
Chartered Accountants  
& Registered Auditors  
Bridge House  
Station Road  
Hayes  
Middlesex  
UB3 4BT

*28/6/05*

**BUCKINGHAM MORTGAGE SERVICES LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2005**

	Note	Year to 31 Mar 05 £	Period from 4 Sep 03 to 31 Mar 04 £
<b>TURNOVER</b>	<b>2</b>	<b>11,646</b>	-
Distribution Costs		1,779	-
Administrative expenses		8,382	557
<b>OPERATING PROFIT/(LOSS)</b>	<b>3</b>	<b>1,485</b>	<b>(557)</b>
Interest receivable		87	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,572</b>	<b>(557)</b>
Tax on profit/(loss) on ordinary activities	<b>5</b>	-	-
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>1,572</b>	<b>(557)</b>
Balance brought forward		(557)	-
Balance carried forward		<u>1,015</u>	<u>(557)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 11 form part of these financial statements.

# BUCKINGHAM MORTGAGE SERVICES LIMITED

## BALANCE SHEET

31 MARCH 2005

	Note	2005 £	2004 £
<b>CURRENT ASSETS</b>			
Debtors	6	3,064	-
Cash at bank		9,549	1,070
		<u>12,613</u>	<u>1,070</u>
<b>CREDITORS: Amounts falling due within one year</b>			
	7	<u>6,597</u>	<u>1,626</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
		<u>6,016</u>	<u>(556)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>6,016</u>	<u>(556)</u>
<b>CREDITORS: Amounts falling due after more than one year</b>			
	8	5,000	-
		<u>1,016</u>	<u>(556)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	1	1
Profit and loss account		<u>1,015</u>	<u>(557)</u>
<b>SHAREHOLDERS' FUNDS/(DEFICIENCY)</b>			
	12	<u>1,016</u>	<u>(556)</u>

These financial statements were approved and signed by the director on 27/6/05

  
G BUCKINGHAM

The notes on pages 9 to 11 form part of these financial statements.



# BUCKINGHAM MORTGAGE SERVICES LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2005

	Year to 31 Mar 05 £	£	Period from 4 Sep 03 to 31 Mar 04 £	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		<b>1,157</b>		<b>(322)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received	<u>87</u>		<u>-</u>	
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b>87</b>		<b>-</b>
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>1,244</b>		<b>(322)</b>
<b>FINANCING</b>				
Issue of equity share capital	-		1	
Net inflow from other long-term creditors	<u>5,000</u>		<u>-</u>	
Net inflow from director's current account	<u>2,235</u>		<u>1,391</u>	
<b>NET CASH INFLOW FROM FINANCING</b>		<b>7,235</b>		<b>1,392</b>
<b>INCREASE IN CASH</b>		<b>8,479</b>		<b>1,070</b>
<b>RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>				

	Year to 31 Mar 05 £	£	Period from 4 Sep 03 to 31 Mar 04 £	£
Operating profit/(loss)	<u>1,485</u>		<u>(557)</u>	
Increase in debtors	<u>(3,064)</u>		<u>-</u>	
Increase in creditors	<u>2,736</u>		<u>235</u>	
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,157</b>		<b>(322)</b>	

The notes on pages 9 to 11 form part of these financial statements.

# BUCKINGHAM MORTGAGE SERVICES LIMITED

## CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2005

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005		2004	
	£	£	£	£
Increase in cash in the period	8,479		1,070	
Net cash (inflow) from other long-term creditors	<u>(5,000)</u>		<u>-</u>	
		3,479		1,070
Change in net funds		3,479		1,070
Net funds at 1 April 2004		1,070		-
Net funds at 31 March 2005		<u>4,549</u>		<u>1,070</u>

### ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2004	Cash flows	At 31 Mar 2005
	£	£	£
Net cash:			
Cash in hand and at bank	1,070	8,479	9,549
Debt:			
Debt due after 1 year	-	(5,000)	(5,000)
Net funds	<u>1,070</u>	<u>3,479</u>	<u>4,549</u>

The notes on pages 9 to 11 form part of these financial statements.

# BUCKINGHAM MORTGAGE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

### 1. ACCOUNTING POLICIES

#### Basis of accounting

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

#### Turnover

Turnover represents commissions and profits from the provision of mortgage services.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	Year to 31 Mar 05 £	Period from 4 Sep 03 to 31 Mar 04 £
United Kingdom	<u>11,646</u>	<u>-</u>

### 3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	Year to 31 Mar 05 £	Period from 4 Sep 03 to 31 Mar 04 £
Auditors' remuneration - as auditors	<u>1,674</u>	<u>-</u>

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Year to 31 Mar 05 No.	Period from 4 Sep 03 to 31 Mar 04 No.
Number of management staff	<u>1</u>	<u>1</u>

No salaries or wages have been paid to employees, including the director, during the year.

# BUCKINGHAM MORTGAGE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2005

#### 5. TAXATION ON ORDINARY ACTIVITIES

##### Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2004 - -%).

	Year to 31 Mar 05 £	Period from 4 Sep 03 to 31 Mar 04 £
Profit/(loss) on ordinary activities before taxation	<u>1,572</u>	<u>(557)</u>
Profit/(loss) on ordinary activities by rate of tax	299	-
Benefit of marginal relief	<u>(299)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

#### 6. DEBTORS

	2005 £	2004 £
Trade debtors	<u>3,064</u>	<u>-</u>

#### 7. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Other creditors:		
Directors current accounts	3,626	1,391
Accruals and deferred income	<u>2,971</u>	<u>235</u>
	<u>6,597</u>	<u>1,626</u>

#### 8. CREDITORS: Amounts falling due after more than one year

	2005 £	2004 £
Other creditors:		
Subordinated loan	<u>5,000</u>	<u>-</u>

There are no fixed repayment terms in respect of the subordinated loan, however, it is not repayable earlier than two years hence in accordance with the loan agreement (see the related party note for details).

#### 9. TRANSACTIONS WITH THE DIRECTOR

Included in administrative expenses is £3,000 in respect of management charges paid to G Buckingham and Company Ltd in which Mr G Buckingham, the sole director of Buckingham Mortgage Services Ltd, is also a director. At the 31 March 2005 £500 is owed to G Buckingham and Company Ltd in respect of these charges.

# BUCKINGHAM MORTGAGE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

### 10. RELATED PARTY TRANSACTIONS

The director, Mr G Buckingham, has loaned to the company the sum of £3,626 (2004 - 1391) by virtue of his directors current account.

The subordinated loan is an interest free loan made to the company by Mr G Buckingham, the sole director, in the sum of £5,000 on 27 August 2004.

The director has provided personal guarantees in respect of agencies set up with the company.

The company was under the control of Mr Buckingham throughout the current year and previous period. Mr Buckingham is the sole director and shareholder.

### 11. SHARE CAPITAL

#### Authorised share capital:

	2005	2004
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### Allotted, called up and fully paid:

	2005	2004
	£	£
Ordinary share capital brought forward	1	-
Issue of ordinary shares	-	1
	<u>1</u>	<u>1</u>

### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Profit/(Loss) for the financial year	1,572	(557)
New equity share capital subscribed	-	1
	<u>1,572</u>	<u>(556)</u>
Net addition/(reduction) to shareholders' equity deficit	(556)	-
Opening shareholders' equity deficit	<u>1,016</u>	<u>(556)</u>

**BUCKINGHAM MORTGAGE SERVICES LIMITED****DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2005**

	Year to 31 Mar 05 £	£	Period from 4 Sep 03 to 31 Mar 04 £	£
<b>TURNOVER</b>		<b>11,646</b>		-
<b>OVERHEADS</b>				
Commissions paid	1,779		-	
Insurance	904		-	
Management and administration	3,000		-	
Postage and stationery	872		-	
Subscriptions and regulatory costs	605		-	
Information services	1,229		-	
Company formation expenses	-		292	
Accountancy	-		235	
Audit and accountancy	1,674		-	
Bank charges	98		30	
		<u>10,161</u>		<u>557</u>
<b>OPERATING PROFIT/(LOSS)</b>		<b>1,485</b>		<b>(557)</b>
Bank deposit interest		<u>87</u>		<u>-</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>		<b><u>1,572</u></b>		<b><u>(557)</u></b>