

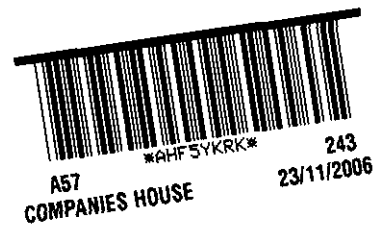
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SIMPLY FINANCIAL LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31ST MAY 2006



Cashmore and Company,
Chartered Accountants,
The Robbins Building,
Albert Street,
RUGBY,
Warwickshire.
CV21 2SD

SIMPLY FINANCIAL LIMITED**COMPANY INFORMATION****DIRECTOR**

M. Hope

SECRETARY

T. Hope

REGISTERED OFFICE

22 Don Cerce Close,
Dunchurch,
RUGBY,
Warwickshire.
CV22 6NZ

COMPANY REGISTRATION NUMBER

3984384

BANKERS

HSBC Bank plc,
29 Bowen Square,
Daventry,
Northamptonshire.
NN11 4ER

AUDITORS

Cashmore and Company,
The Robbins Building,
Albert Street,
RUGBY,
Warwickshire.
CV21 2SD

SIMPLY FINANCIAL LIMITED

DIRECTOR'S REPORT

The Director presents his report to the Members together with the financial statements of the Company for the year ended 31st May 2006.

DIRECTORS' RESPONSIBILITIES

Company law requires us to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue to operate.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

DIRECTOR

The Director who served during the year is shown below:

M. Hope

The Director of the Company at 31st May 2006 had shareholdings, inclusive of family interests, as follows:

Name	Class of Capital	Beneficial Interest	
		2006	2005
M. Hope	£1 Ordinary	1	1

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of the provision of life assurance and pension fund and mortgage advice.

REVIEW OF BUSINESS

The Director is of the opinion that the results contained in the Accounts are self explanatory and that future trading conditions are indeterminable under present economic conditions.

RESULTS AND DIVIDENDS

The results of the year's trading, the financial position of the Company and the transfer to reserves are shown in the financial statements.

The Profit for the year after taxation amounted to £10,244, (2005, Profit £8,168) and is mainly attributable to the principal activity.

A dividend of £10,000 was paid during the year.

SIMPLY FINANCIAL LIMITED**DIRECTOR'S REPORT****RESEARCH AND DEVELOPMENT**

The Company incurred no expenditure on research and development during the year.

FIXED ASSETS

The changes in fixed assets are shown in note 9.

COMPANY STATUS

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

DONATIONS

The Company made no political or charitable donations during the year.

AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Cashmore and Company, who have signified their willingness to be re-appointed as auditors to the Company.

Approved on 8th November 2006 :

A handwritten signature in dark ink, appearing to read 'M. Hope', written over a horizontal dotted line.

M. Hope,
Director

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SIMPLY FINANCIAL LIMITED

We have audited the financial statements of Simply Financial Limited for the period ended 31st May 2006 which comprise Profit and Loss Account, Balance Sheet, Cash Flow Statement, and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities, the Company's Director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

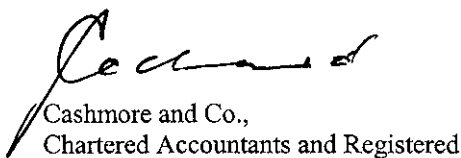
We planned and performed our audit so as to obtain all of the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SIMPLY FINANCIAL LIMITED
CONTINUED

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st May 2006 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cashmore and Co.,
Chartered Accountants and Registered Auditors,
The Robbins Building,
Albert Street,
RUGBY,
Warwickshire.
CV21 2SD

8th November 2006

SIMPLY FINANCIAL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 2006


		2006	2005
	<u>NOTES</u>	<u>£</u>	<u>£</u>
TURNOVER	(2)		
Continuing operations		45,887	48,517
 Net operating expenses	(3)	<u>(35,194)</u>	<u>(40,474)</u>
OPERATING PROFIT			
Continuing operations		10,693	8,043
 Interest receivable and similar income	(6)	<u>147</u>	<u>125</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(4)	10,840	8,168
 Tax on ordinary activities	(7)	<u>(596)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		10,244	8,168
 Dividends	(8)	<u>(10,000)</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	(14)	<u>244</u>	<u>8,168</u>

The Company made no recognised gains and losses other than those reported in the profit and loss account.

SIMPLY FINANCIAL LIMITED**BALANCE SHEET****31ST MAY 2006**

		2006	2005
	<u>NOTES</u>	<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible Assets	(9)	2,411	2,696
CURRENT ASSETS:			
Debtors	(10)	1,714	2,495
Cash Resources		13,961	7,687
		15,675	10,182
CREDITORS: Amounts falling due within one year			
Creditors	(11)	16,917	11,953
NET CURRENT LIABILITIES		(1,242)	(1,771)
NET ASSETS		1,169	925
CAPITAL AND RESERVES:			
Called Up Share Capital	(13)	1	1
Profit and Loss Account	(14)	1,168	924
SHAREHOLDERS FUNDS	(15)	1,169	925

Approved by the Director on 8th November 2006 :



M. Hope

SIMPLY FINANCIAL LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST MAY 2006**

	Note	2006 £	2005 £
Net cash inflow/(outflow) from operating activities	(18)	17,715	(971)
Returns on investments and servicing of finance	(19)	147	125
Taxation	(19)	-	-
Capital Expenditure	(19)	(1,588)	(3,079)
		(1,441)	(3,925)
Dividends paid		(10,000)	-
		6,274	(3,925)
Financing	(19)	-	-
		6,274	(3,925)
Reconciliation of net cash flow to movement in net debt	(20)		
Increase/(Decrease) in cash in the year		6,274	(3,925)
Net funds at 31st May 2005		7,687	11,612
Net funds at 31st May 2006		13,961	7,687

The notes on pages 9 to 14 form part of these financial statements.

SIMPLY FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2006

COMPLIANCE WITH ACCOUNTING STANDARDS

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from these standards.

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are consistent with those applied in previous years and are as follows:-

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

Fixed Assets

Depreciation has been provided for on all assets at rates calculated to write off the cost over the expected useful life of such assets.

The principal rates are:-

Asset Classification	Basis	Rate %
Office Equipment	Straight Line	33
Fixtures and Fittings	Straight Line	25

Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

2. TURNOVER

The Company's turnover represents the value, excluding value added tax of services supplied to customers during the year.

The turnover and Profit on ordinary activities is attributable to one activity, the provision of life assurance and pension fund and mortgage advice.

The UK was the only geographical market supplied, hence no further disclosure is required.

3. COST OF SALES AND NET OPERATING EXPENSES

	2006 £	2005 £
Net operating expenses:		
Administrative expenses	33,571	39,128
Depreciation	1,873	1,346
Other operating income	(250)	-
	<hr/> 35,194	<hr/> 40,474

SIMPLY FINANCIAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2006****4. RESULT OF ORDINARY ACTIVITIES BEFORE TAXATION**

	2006	2005
	£	£
The profit is stated after charging:		
Director's Salaries	11,000	11,402
Director's National Insurance	661	851
Auditor's Remuneration	1,645	1,504
Hire of Plant and Equipment	-	219
Depreciation	1,873	1,346
	<u> </u>	<u> </u>
and after crediting:-		
Interest Receivable	147	125
	<u> </u>	<u> </u>

5. STAFF COSTS (including Director)

	2006	2005
	£	£
Wages and Salaries	11,323	12,048
Social Security Costs	661	851
	<u> </u>	<u> </u>
	11,984	12,899
	<u> </u>	<u> </u>

The average number of persons employed by the Company during the year was:

Management and Administration	1	1
	<u> </u>	<u> </u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2006	2005
	£	£
Bank Deposit Interest	147	125
	<u> </u>	<u> </u>

SIMPLY FINANCIAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2006****7. TAX ON ORDINARY ACTIVITIES**

The charge in the profit and loss account is made up as follows:

	2006 £	2005 £
Corporation Tax based upon the results for the year.	596	-

Factors affecting tax charge for year.

The tax assessed for the year is lower than the standard rate of Corporation Tax in the U.K. of 2006, 19%, (2005, 19%).
The differences are explained below:-

	2006 £	2005 £
Profits on ordinary activities before tax	10,840	8,168
Profits on ordinary activities at standard rate of U.K. Corporation Tax	2,060	1,552
Effects of:		
Capital Allowances for period in excess of depreciation	118	(61)
Marginal Relief	(1,535)	(1,491)
Income allowable for tax purposes	(47)	-
Current Tax Charge	596	-

8. DIVIDENDS

	2006 £	2005 £
Dividends Paid	10,000	-

An Dividend of £10,000 per share was paid on 4th April 2006.

SIMPLY FINANCIAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2006****9. TANGIBLE FIXED ASSETS**

	Office Equipment	Fixtures and Fittings	Total
	£	£	£
COST			
As at 1st June 2005	6,412	2,039	8,451
Additions	1,588	-	1,588
As at 31st May 2006	8,000	2,039	10,039
DEPRECIATION			
As at 1st June 2005	4,352	1,403	5,755
Charge for the year	1,555	318	1,873
As at 31st May 2006	5,907	1,721	7,628
NET BOOK VALUES			
As at 31st May 2006	2,093	318	2,411
As at 31st May 2005	2,060	636	2,696

10. DEBTORS

	2006 £	2005 £
Items receivable within one year:		
Trade Debtors	1,369	1,662
Prepayments and Accrued Income	256	105
PAYE and Social Security	89	728
	1,714	2,495

11. CREDITORS

	2006 £	2005 £
Items payable within one year:		
Corporation Tax	596	-
Trade Creditors	740	-
Accrued Expenses	1,667	1,608
Other Creditors	-	172
Director's Loan (Note 12)	13,914	10,173
	16,917	11,953

SIMPLY FINANCIAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2006****12. DIRECTOR'S LOAN**

	2006	2005
	£	£
M. Hope	13,914	10,173

The Director's loan is unsecured, interest free and repayable on demand.

13. SHARE CAPITAL

	2006	2005
	£	£
Authorised: 1,000 Ordinary shares of £1 each	1,000	1,000
Issued and Fully Paid: 1 Ordinary shares of £1 each	1	1

14. PROFIT AND LOSS ACCOUNT

	2006	2005
	£	£
As at 1st June 2005	924	(7,244)
Retained Profit for the year	244	8,168
As at 31st May 2006	1,168	924

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	10,244	8,168
Dividends	(10,000)	-
	244	8,168
Net addition to shareholders' funds	244	8,168
Opening shareholders' funds	925	(7,243)
Closing shareholders' funds	1,169	925

16. RELATED PARTIES

The Company is controlled by the Director, his Shareholding is fully disclosed in the Directors Report.

The Company trades from the Director's home, use of home as office is paid at £30 per week.

17. CONTINGENT LIABILITIES

The Director is unaware of any contingent liabilities which might affect the financial statements.

SIMPLY FINANCIAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2006****18. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2006	2005
	£	£
Operating profit	10,693	8,043
Depreciation	1,873	1,346
Decrease/(Increase) in debtors	781	(2,045)
Increase/(Decrease) in creditors	4,368	(8,315)
	<hr/>	<hr/>
Net Cash outflow from operating activities	17,715	(971)
	<hr/>	<hr/>

19. NOTES TO THE CASH FLOW STATEMENT

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	147	125
	<hr/>	<hr/>
	147	125
	<hr/>	<hr/>
Taxation	-	-
	<hr/>	<hr/>
Capital Expenditure		
Purchase of tangible fixed assets	(1,588)	(3,079)
	<hr/>	<hr/>
Financing	-	-
	<hr/>	<hr/>

20. ANALYSIS OF NET FUNDS

1st June 2005 Cashflow 31st May 2006

	£	£	£
Cash in hand, at bank	7,687	6,274	13,961
	<hr/>	<hr/>	<hr/>
Total	7,687	6,274	13,961
	<hr/>	<hr/>	<hr/>

THE FOLLOWING PAGES DO NOT FORM PART OF
THE STATUTORY FINANCIAL STATEMENTS

SIMPLY FINANCIAL LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 2006

		2006	2005
	NOTES	£	£
INCOME	(1)	45,887	48,517
OTHER INCOME	(2)	397	125
		<hr/> 46,284	<hr/> 48,642
EXPENSES			
Staff Costs	(3)	19,791	26,137
Establishment Costs	(4)	5,068	3,907
Office Overheads	(5)	4,322	6,240
Selling and Distribution Costs	(6)	2,000	430
Finance Costs	(7)	1,830	1,690
Miscellaneous Overheads	(8)	560	724
Depreciation	(9)	1,873	1,346
		<hr/> 35,444	<hr/> 40,474
NET PROFIT BEFORE TAXATION		<hr/> 10,840	<hr/> 8,168

SIMPLY FINANCIAL LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT ANALYSIS

FOR THE YEAR ENDED 31ST MAY 2006

	2006 £	2005 £
1. Income		
Commission	45,887	48,517
	<hr/>	<hr/>
2. Other Income		
Bank Deposit Interest	147	125
Online Filing Credit	250	-
	<hr/>	<hr/>
	397	125
	<hr/>	<hr/>
3. Staff Costs		
Directors' Salaries	11,000	11,402
Directors' National Insurance	661	851
Office Salaries	323	646
Commission Paid	7,807	13,238
	<hr/>	<hr/>
	19,791	26,137
	<hr/>	<hr/>
4. Establishment Costs		
Insurance	2,927	3,519
Repairs and Renewals	581	388
Use of Office	1,560	-
	<hr/>	<hr/>
	5,068	3,907
	<hr/>	<hr/>
5. Office Overheads		
Telephone	876	2,038
Printing and Stationery	1,472	2,277
Computer Costs	1,974	1,706
Hire of Equipment	-	219
	<hr/>	<hr/>
	4,322	6,240
	<hr/>	<hr/>
6. Selling and Distribution Expenses		
Motor Expenses	2,000	430
	<hr/>	<hr/>
7. Finance Costs		
Audit and Accountancy	1,645	1,504
Bank Charges	185	186
	<hr/>	<hr/>
	1,830	1,690
	<hr/>	<hr/>

SIMPLY FINANCIAL LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT ANALYSIS

FOR THE YEAR ENDED 31ST MAY 2006

	2006	2005
	£	£
8. Miscellaneous Overheads		
Subscriptions	384	631
Sundry Expenses	176	93
	<hr/>	<hr/>
	560	724
	<hr/>	<hr/>
9. Depreciation		
Depreciation Charges	1,873	1,346
	<hr/>	<hr/>