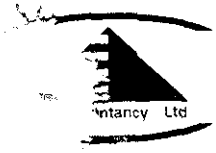
PM ACCOUNTANCY



SELECTIVE MORTGAGES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH AUGUST 2006

3, Ingrow Bridge, Keighley,West Yorkshire,BD21 5AX
Telephone & Fax 01535 603823
Email pmaccountancy@btconnect.com

Institute of Certified
Practising Accountants

SELECTIVE MORTGAGES LIMITED
ACCOUNTS FOR THE YEAR
ENDED 31ST AUGUST 2006

CONTENTS

	Page
Company Information	1
Accountants' Report & Approval	2
Directors' Report	3
Trading Profit & Loss Account	4
Profit & Loss Appropriation Account	5
Balance Sheet	6
Notes to Financial Statements	7

SELECTIVE MORTGAGES LTD
ACCOUNTS FOR THE YEAR
ENDED 31ST AUGUST 2006

Director:	Mr Phillip Whitton
Company Secretary :	Mrs Margaret Whitton
Company number :	04504503
Registered Office :	31 Farley Crescent Oakworth Keighley West Yorkshire BD22 7SH.
Accountant :	Mr Paul Murphy PM Accountancy Ltd Incorporated Financial Accountants 3, Ingrow Bridge South Street Keighley BD21 5AX.

SELECTIVE MORTGAGES LIMITED
ACCOUNTS FOR THE YEAR
ENDED 31ST AUGUST 2006

DIRECTORS' APPROVAL

I approve these accounts and confirm I have made available all relevant records and information for their preparation.

Mr P. Whitton 22 January 2007

ACCOUNTANTS' REPORT

In accordance with the instructions given to us, I have prepared without audit the financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and the information and explanations supplied to me.

Paul Murphy 22 January 2007
PM Accountancy

SELECTIVE MORTGAGES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2006

The directors present their report with the financial statements of the company for the year ended 31st August 2006.

INCORPORATION
The company was incorporated on the 6th August 2002 and traded for the fourth year ending on the 31st August 2006.

PRINCIPAL ACTIVITY
The principal activity of the company during the year was that of mortgage brokers.

DIRECTORS
The directors during the year under review were :

P J Whitton	-appointed 8.8.02
M C Whitton	-appointed 8.8.02

The beneficial interests of the directors holding office on the 31st of August 2006 in the issued share capital of the company were as follows :

Ordinary shares of £1 each

PJ Whitton	50
MC Whitton	50

Both directors , being eligible, offer themselves for election at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD :

Mrs M C Whitton – Director

SELECTIVE MORTGAGES LIMITED

Trading and Profit & Loss Account for
the year ended 31st August 2006

	2006 £	£	2005 £	£
Sales		**104,005**		83,368
Cost of sales				
Valuation, Commissions & other fees	**13,589**		11,780	
		13,589		11,780
GROSS PROFIT		**90,416**		71,588
Expenses				
Directors' remuneration	**4,800**		4,800	
National Insurance	**-**		18	
Telephone	**2,412**		2,898	
Post & stationary	**768**		1,060	
Advertising	**10,830**		9,005	
Motor expenses	**1,920**		1,800	
Sundry expenses	**416**		245	
Insurance	**875**		899	
Accountancy	**550**		550	
Legal fees	**-**		2,188	
Licenses fees	**946**		1,249	
Use of residence as office	**1,580**		1,580	
Subscriptions & donations	**348**		347	
Computer	**558**		276	
		26,003		26,915
		64,413		44,673
Finance costs:				
Bank charges	**203**		98	
Interest received	**- 89**		- 72	
		114		26
		64,299		44,647
Depreciation:				
Equipment & fixtures	**932**		1,020	
Goodwill	**6,000**		6,000	
		6,932		7,020
NET PROFIT		**57,367**		37,627

SELECTIVE MORTGAGES LIMITED

Profit and Loss Appropriation Account
for the year ended 31st August 2006

		£
TURNOVER		104,005
Cost of sales		13,589
GROSS PROFIT		90,416
Administrative expenses		33,049
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	57,367
Tax on profit on ordinary activities	3	12,039
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		45,328
Dividends	4	55,000
		- 9,672
Profit & Loss brought forward previous year		53,112
RETAINED PROFIT CARRIED FORWARD		43,440

SELECTIVE MORTGAGES LIMITED

Balance sheet as at 31st August 2006

			2006		2005
		£	£	£	£
FIXED ASSETS	5		**36,000**		42,000
Intangible assets	6		**6,328**		7,260
Tangible assets			**42,328**		49,260
CURRENT ASSETS					
Debtors/Prepayments	7	**480**		873	
Cash at bank		**40,997**		17,677	
		41,477		18,550	
TOTAL ASSETS			**83,805**		67,810
CURRENT LIABILITIES					
Creditors/accruals	8	**40,265**		14,598	
			40,265		14,598
NET CURRENT LIABILITIES			**43,540**		53,212
TOTAL ASSETS LESS CURRENT LIABILITIES					
CAPITAL AND RESERVES					
Called up share capital	9		**100**		100
Profit & loss account			**43,440**		53,112
SHAREHOLDERS' FUND			**43,540**		53,212

(a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249a(1) of the Companies Act 1985 ;
(b) No notice has been deposited under Section 249b(2) of the Companies Act 1985 and
(c) The directors acknowledge their responsibilities for :
(i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
(ii) preparing accounts 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 and loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

P. Whittam
25/1/07.

SELECTIVE MORTGAGES LIMITED

Notes to the Financial Statements
for the year ended 31st August 2006

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002)

Turnover
Turnover represents net invoiced sales of services, excluding value added tax.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2002, is being written off evenly over its estimated useful life of ten years.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over it's estimated useful life.

Plant & machinery etc - 20% on reducing balance

2 OPERATING PROFIT

The operating profit is stated after charging :

	£
Deprecation - Owned assets	932
Goodwill	6,000
Directors' emoluments and other benefits etc	4,800

3 TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the period was as follows:

	£
Current tax:	
UK corporation tax	12,039
Tax on profit on ordinary activities	12,039

4. DIVIDENDS

	£
Ordinary shares	55,000

5. **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST:	60,000
At 1st September 2005	48,000
AMORTISATION:	
Charge for period	6,000
At 31st August 2006	24,000
NET BOOK VALUE:	
At 31st August 2006	36,000

6. **TANGIBLE FIXED ASSETS**

	Plant & Machinery £
COST:	9,320
At 1st September 2005	7,580
DEPRECIATION	
Charge for the period	932
At 31st August 2006	2,672
NET BOOK VALUE	
At 31 August 2006	6,648

7 **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade debtors / Prepayments	480

8 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Dividend provision	20,000
Taxation	12,039
Creditors & Accruals	8,226
	40,265

9 **CALLED UP SHARE CAPITAL**

Authorised Number:	Class	Nominal value	£
1,000	Ordinary shares	£1	1,000

Allotted, issued and fully paid: Number:	Class	Nominal value	£
100	Ordinary	£1	100