

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)

Report of the Directors and

Financial Statements

For The Period 1 November 2003 to 30 April 2005

RTR Shorts
Chartered Accountants
Registered Auditors
275 Glossop Road
Sheffield
S10 2HB



Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)

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For The Period 1 November 2003 to 30 April 2005

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Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)

Company Information
For The Period 1 November 2003 to 30 April 2005

DIRECTORS:

P A Dallyn
M Burley
M J Mawson

SECRETARY:

Mrs E T Newton

REGISTERED OFFICE:

5-8 Jessops Riverside
Brightside Lane
Sheffield
South Yorkshire
S9 2RX

REGISTERED NUMBER:

1217536 (England and Wales)

AUDITORS:

RTR Shorts
Chartered Accountants
Registered Auditors
275 Glossop Road
Sheffield
S10 2HB

BANKERS:

National Westminster Bank plc
42 High Street
Sheffield
S1 1QG

**Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)**

**Report of the Directors
For The Period 1 November 2003 to 30 April 2005**

The directors present their report with the financial statements of the company for the period 1 November 2003 to 30 April 2005.

CHANGE OF NAME

The company passed a special resolution on 1 November 2005 changing its name from Joseph W Burley & Partners Limited to Burley Financial Services Limited (formerly Joseph W Burley and Partners Limited).

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of insurance broking.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

The directors consider the results for the year to be satisfactory.

DIVIDENDS

No dividends will be distributed for the period ended 30 April 2005.

DIRECTORS

The directors during the period under review were:

P A Dallyn
M Burley
M J Mawson

The directors holding office at 30 April 2005 did not hold any beneficial interest in the issued share capital of the company at 1 November 2003 or 30 April 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

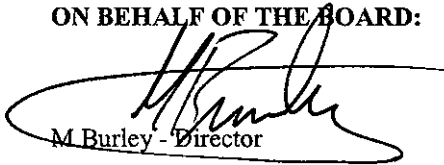
Burley Financial Services Limited
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Report of the Directors
For The Period 1 November 2003 to 30 April 2005

AUDITORS

The auditors, RTR Shorts, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



M Burley - Director

27 February 2006

**Report of the Independent Auditors to the Shareholders of
Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)**

We have audited the financial statements of Burley Financial Services Limited (formerly Joseph W Burley and Partners Limited) for the period ended 30 April 2005 on pages five to eighteen. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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 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 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 on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors 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 directors 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

RTR SMMs

RTR Shorts
Chartered Accountants
Registered Auditors
275 Glossop Road
Sheffield
S10 2HB

27 February 2006

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)

Profit and Loss Account
For The Period 1 November 2003 to 30 April 2005

		Period 1.11.03 to 30.4.05	Year ended 31.10.03
	Notes	£	£
TURNOVER		503,208	266,740
Administrative expenses		514,875	282,645
		(11,667)	(15,905)
Other operating income		8,000	21,863
OPERATING (LOSS)/PROFIT	3	(3,667)	5,958
Interest payable and similar charges	4	13,090	5,425
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(16,757)	533
Tax on (loss)/profit on ordinary activities	5	-	-
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		(16,757)	533
Deficit brought forward		(77,483)	(78,016)
DEFICIT CARRIED FORWARD		<u>£(94,240)</u>	<u>£(77,483)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)

Statement of Total Recognised Gains and Losses
For The Period 1 November 2003 to 30 April 2005

	Period 1.11.03 to 30.4.05	Year ended 31.10.03
	£	£
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	(16,757)	533
Investment revaluation surplus	1,500	-
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE PERIOD	<u>£(15,257)</u>	<u>£533</u>

Note of Historical Cost Profits and Losses
For The Period 1 November 2003 to 30 April 2005

	Period 1.11.03 to 30.4.05	Year ended 31.10.03
	£	£
REPORTED (LOSS)/PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	(16,757)	533
Investment revaluation surplus	1,500	-
HISTORICAL COST (LOSS)/PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>£(15,257)</u>	<u>£533</u>
HISTORICAL COST (LOSS)/PROFIT		
FOR THE PERIOD RETAINED AFTER TAXATION	<u>£(15,257)</u>	<u>£533</u>

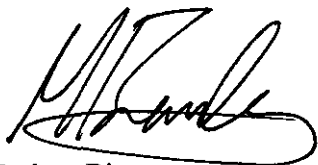
The notes form part of these financial statements

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
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Balance Sheet
30 April 2005

		2005		2003	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		55,541		82,082
Investments	7		1,502		2
			<u>57,043</u>		<u>82,084</u>
CURRENT ASSETS:					
Stocks	8	1,037		-	
Debtors	9	73,308		77,167	
Cash at bank		10,571		5,184	
		<u>84,916</u>		<u>82,351</u>	
CREDITORS: Amounts falling due within one year	10	95,702		64,307	
		<u></u>		<u></u>	
NET CURRENT (LIABILITIES)/ASSETS:			(10,786)		18,044
TOTAL ASSETS LESS CURRENT LIABILITIES:			46,257		100,128
CREDITORS: Amounts falling due after more than one year	11		48,997		87,611
			<u>£(2,740)</u>		<u>£12,517</u>
CAPITAL AND RESERVES:					
Called up share capital	16		90,000		90,000
Revaluation reserve	17		1,500		-
Profit and loss account			(94,240)		(77,483)
SHAREHOLDERS' FUNDS:	19		<u>£(2,740)</u>		<u>£12,517</u>

ON BEHALF OF THE BOARD:



M Burley - Director

Approved by the Board on 27 February 2006

The notes form part of these financial statements

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
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Cash Flow Statement
For The Period 1 November 2003 to 30 April 2005

	Notes	Period 1.11.03 to 30.4.05		Year ended 31.10.03	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	1		51,838		(15,888)
Returns on investments and servicing of finance	2		(13,090)		(5,425)
Capital expenditure and financial investment	2		2,361		(1,780)
			<u>41,109</u>		<u>(23,093)</u>
Financing	2		(55,064)		6,261
Decrease in cash in the period			<u>£(13,955)</u>		<u>£(16,832)</u>
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(13,955)		(16,832)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>55,065</u>		<u>(6,261)</u>	
Change in net debt resulting from cash flows			41,110		(23,093)
New finance leases			<u>(8,995)</u>		<u>(66,285)</u>
Movement in net debt in the period			<u>32,115</u>		<u>(89,378)</u>
Net debt at 1 November			<u>(128,019)</u>		<u>(38,641)</u>
Net debt at 30 April			<u>£(95,904)</u>		<u>£(128,019)</u>

The notes form part of these financial statements

Burley Financial Services Limited
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Notes to the Cash Flow Statement
For The Period 1 November 2003 to 30 April 2005

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Period 1.11.03 to 30.4.05 £	Year ended 31.10.03 £
Operating (loss)/profit	(3,667)	5,958
Depreciation charges	31,389	14,791
Loss on sale of fixed assets	3,393	1,312
Profit on sale of fixed assets	(1,607)	-
Increase in stocks	(1,037)	-
Decrease/(Increase) in debtors	3,859	(20,516)
Increase/(Decrease) in creditors	19,508	(17,433)
Net cash inflow/(outflow) from operating activities	<u><u>51,838</u></u>	<u><u>(15,888)</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1.11.03 to 30.4.05 £	Year ended 31.10.03 £
Returns on investments and servicing of finance		
Interest paid	(6,019)	(2,869)
Interest element of hire purchase payments	<u>(7,071)</u>	<u>(2,556)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(13,090)</u></u>	<u><u>(5,425)</u></u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(9,567)	(8,328)
Cash payments - investmt purch	-	(2)
Sale of tangible fixed assets	<u>11,928</u>	<u>6,550</u>
Net cash inflow/(outflow) for capital expenditure	<u><u>2,361</u></u>	<u><u>(1,780)</u></u>

The notes form part of these financial statements

Burley Financial Services Limited
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Notes to the Cash Flow Statement
For The Period 1 November 2003 to 30 April 2005

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	Period 1.11.03 to 30.4.05 £	Year ended 31.10.03 £
Financing		
New loan taken out in year	-	29,196
Loan repayments in year	(16,414)	(7,906)
Finance lease repayments	(38,650)	(15,029)
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from financing	(55,064)	6,261
	<u> </u>	<u> </u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.03 £	Cash flow £	Other non-cash changes £	At 30.4.05 £
Net cash:				
Cash at bank	5,184	5,387		10,571
Bank overdraft	(9,025)	(19,342)		(28,367)
	<u>(3,841)</u>	<u>(13,955)</u>		<u>(17,796)</u>
Debt:				
Hire purchase	(71,362)	38,650	(8,995)	(41,707)
Debts falling due within one year	(11,379)	(638)	-	(12,017)
Debts falling due after one year	(41,437)	17,053	-	(24,384)
	<u>(124,178)</u>	<u>55,065</u>	<u>(8,995)</u>	<u>(78,108)</u>
Total	<u>(128,019)</u>	<u>41,110</u>	<u>(8,995)</u>	<u>(95,904)</u>

Analysed in Balance Sheet

Cash at bank	5,184	10,571
Bank overdraft	(9,025)	(28,367)
Hire purchase		
within one year	(25,188)	(17,095)
after one year	(46,174)	(24,612)
Debts falling due within one year	(11,379)	(12,017)
Debts falling due after one year	(41,437)	(24,384)
	<u>(128,019)</u>	<u>(95,904)</u>

The notes form part of these financial statements

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
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Notes to the Financial Statements
For The Period 1 November 2003 to 30 April 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards.

Turnover

Turnover represents the total commission earned on insurance business written during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% straight line

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the period are charged in the profit and loss account.

2. STAFF COSTS

	Period 1.11.03 to 30.4.05 £	Year ended 31.10.03 £
Wages and salaries	279,064	155,808
Social security costs	33,413	18,200
Other pension costs	23,311	4,200
	<u>335,788</u>	<u>178,208</u>

Burley Financial Services Limited
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Notes to the Financial Statements
For The Period 1 November 2003 to 30 April 2005

2. STAFF COSTS - continued

The average monthly number of employees during the period was as follows:

	Period 1.11.03 to 30.4.05	Year ended 31.10.03
Accounts and management	10 <u> </u>	9 <u> </u>

3. OPERATING (LOSS)/PROFIT

The operating loss (2003 - operating profit) is stated after charging:

	Period 1.11.03 to 30.4.05 £	Year ended 31.10.03 £
Hire of plant and machinery	7,339	564
Depreciation - owned assets	5,464	3,547
Depreciation - assets on hire purchase contracts	25,925	11,244
Loss on disposal of fixed assets	1,786	1,312
Auditors' remuneration	2,955 <u> </u>	1,300 <u> </u>
Directors' emoluments	66,283	40,531
Directors' pension contributions to money purchase schemes	1,350 <u> </u>	900 <u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1 <u> </u>	1 <u> </u>
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4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.11.03 to 30.4.05 £	Year ended 31.10.03 £
Bank interest	1,732	-
Bank loan interest	4,287	2,869
Hire purchase	7,071 <u> </u>	2,556 <u> </u>
	13,090 <u> </u>	5,425 <u> </u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period ended 30 April 2005 nor for the year ended 31 October 2003.

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
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Notes to the Financial Statements
For The Period 1 November 2003 to 30 April 2005

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 November 2003	7,902	89,606	8,334	105,842
Additions	6,009	10,495	2,058	18,562
Disposals	-	(25,491)	(3,831)	(29,322)
	<u>13,911</u>	<u>74,610</u>	<u>6,561</u>	<u>95,082</u>
DEPRECIATION:				
At 1 November 2003	2,688	14,239	6,833	23,760
Charge for period	3,858	25,925	1,606	31,389
Eliminated on disposals	-	(11,777)	(3,831)	(15,608)
	<u>6,546</u>	<u>28,387</u>	<u>4,608</u>	<u>39,541</u>
NET BOOK VALUE:				
At 30 April 2005	<u>7,365</u>	<u>46,223</u>	<u>1,953</u>	<u>55,541</u>
At 31 October 2003	<u>5,214</u>	<u>75,367</u>	<u>1,501</u>	<u>82,082</u>

The net book value of tangible fixed assets includes £46,223 (2003 - £75,367) in respect of assets held under hire purchase contracts.

7. FIXED ASSET INVESTMENTS

	£
COST OR VALUATION:	
At 1 November 2003	2
Surplus on revaluation	<u>1,500</u>
At 30 April 2005	<u>1,502</u>
NET BOOK VALUE:	
At 30 April 2005	<u>1,502</u>
At 31 October 2003	<u>2</u>

Cost or valuation at 30 April 2005 is represented by:

	£
Valuation in 2005	1,500
Cost	<u>2</u>
	<u>1,502</u>

Burley Financial Services Limited
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Notes to the Financial Statements
For The Period 1 November 2003 to 30 April 2005

7. FIXED ASSET INVESTMENTS - continued

If fixed asset investments had not been revalued they would have been included at the following historical cost:

	2005	2003
	£	£
Cost	2	-
	<u>2</u>	<u>-</u>

The company's artwork was valued on an open market basis on 30 April 2005 by the company's directors.

	2005	2003
	£	£
Unlisted investments	1,502	2
	<u>1,502</u>	<u>2</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

North Church Financial Services Limited

Nature of business: Financial services

	%
Class of shares:	holding
Ordinary	50.00

	31.3.05	31.3.04
	£	£
Aggregate capital and reserves	19,586	9,592
Profit for the year	9,990	92
	<u>19,586</u>	<u>9,684</u>

8. STOCKS

	2005	2003
	£	£
Stock	1,037	-
	<u>1,037</u>	<u>-</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2003
	£	£
Insurance debtors	53,782	28,565
Other debtors	2,948	40,658
Prepayments	8,634	-
Corporation tax	7,944	7,944
	<u>73,308</u>	<u>77,167</u>

Burley Financial Services Limited
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Notes to the Financial Statements
For The Period 1 November 2003 to 30 April 2005

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2003 £
Bank loans and overdrafts (see note 12)	40,384	20,404
Hire purchase contracts (see note 13)	17,095	25,188
Insurance creditors	4,779	-
Other creditors	14,066	4,544
Social security & other taxes	4,150	4,874
Accrued expenses	15,228	9,297
	<u>95,702</u>	<u>64,307</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2005 £	2003 £
Bank loans (see note 12)	24,385	41,437
Hire purchase contracts (see note 13)	24,612	46,174
	<u>48,997</u>	<u>87,611</u>

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2005 £	2003 £
Amounts falling due within one year or on demand:		
Bank overdrafts	28,367	9,025
Bank loans	12,017	11,379
	<u>40,384</u>	<u>20,404</u>

Amounts falling due between one and two years:

Bank loans	<u>13,026</u>	<u>12,101</u>
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Amounts falling due between two and five years:

Bank loans	<u>11,359</u>	<u>29,336</u>
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The company's bank loan, which has been provided by The Royal Bank of Scotland under the PASS loan scheme, is unsecured. The loan is repayable by equal monthly instalments and bears interest at 1% above bank base rate.

Burley Financial Services Limited
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Notes to the Financial Statements
For The Period 1 November 2003 to 30 April 2005

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2005	2003
	£	£
Gross obligations repayable:		
Within one year	20,770	29,733
Between one and five years	28,142	54,625
	<u>48,912</u>	<u>84,358</u>
Finance charges repayable:		
Within one year	3,675	4,545
Between one and five years	3,530	8,451
	<u>7,205</u>	<u>12,996</u>
Net obligations repayable:		
Within one year	17,095	25,188
Between one and five years	24,612	46,174
	<u>41,707</u>	<u>71,362</u>

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2005	2003	2005	2003
	£	£	£	£
Expiring:				
Within one year	-	17,978	-	-
Between one and five years	-	-	4,700	-
	<u>-</u>	<u>17,978</u>	<u>4,700</u>	<u>-</u>
	<u>-</u>	<u>17,978</u>	<u>4,700</u>	<u>-</u>

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)

Notes to the Financial Statements
For The Period 1 November 2003 to 30 April 2005

14. SECURED DEBTS

The following secured debts are included within creditors:

	2005	2003
	£	£
Bank overdrafts	28,367	9,025
Hire purchase contracts	41,707	71,362
	<u>70,074</u>	<u>80,387</u>

The company's bank overdraft is secured by way of an unscheduled mortgage debenture dated 22 September 2003 incorporating a fixed and floating charge over all current and future assets of the company.

Hire purchase obligations are secured on the assets concerned.

15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax provision

	2005	2003
	£	£
Accelerated capital allowances	328	1,651
Taxation losses	(328)	(1,651)
	<u>-</u>	<u>-</u>

16. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2005	2003
			£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005	2003
			£	£
90,000	Ordinary	£1	<u>90,000</u>	<u>90,000</u>

17. REVALUATION RESERVE

	2005	2003
	£	£
Revaluation in the year	<u>1,500</u>	<u>-</u>

Burley Financial Services Limited
(formerly Joseph W Burley and Partners
Limited)

Notes to the Financial Statements
For The Period 1 November 2003 to 30 April 2005

18. RELATED PARTY DISCLOSURES

Transactions

During the period the company was charged expenses amounting to £56,835 by Joseph W Burley and Partners (UK) Limited, a company under common control. The company has received loans amounting to £18,500 from Joseph W Burley and Partners (UK) Limited.

The company received a management charge amounting to £8,000 from North Church Financial Services Limited, a company in which Joseph W Burley and Partners Limited own 50% of the share capital.

For part of the period one of the company's motor vehicles was being used by Joseph W Burley and Partners (Northern) Limited, a company under common control, the company paid £4,052 in respect of the hire purchase repayments due.

The company occupied a suite of offices during the year at an annual rent of £17,978, the payments under the licence agreement were guaranteed by Mr A Burley, a shareholder in the company.

Balances

Included in debtors at the year end are amounts of £2,500 owing from Saxonholme Consulting Limited and £325 owing from Watts Financial Services Limited, companies under common control.

Included in creditors at the year end are amount of £6,957 owing to Joseph W Burley and Partners (UK) Limited and £5,894 owing to Joseph W Burley and Partners (Northern) Limited, companies under common control.

The company owns 50% of the share capital of North Church Financial Services Limited. At the year end Joseph W Burley and Partners Limited was owed £123 by this company.

Controlling party

The company is under the control of Mrs P Burley by virtue of her shareholding.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2003 £
(Loss)/Profit for the financial period	(16,757)	533
Other recognised gains and losses relating to the period (net)	1,500	-
Net (reduction)/addition to shareholders' funds	(15,257)	533
Opening shareholders' funds	12,517	11,984
Closing shareholders' funds	(2,740)	12,517
 Equity interests	 <u>(2,740)</u>	 <u>12,517</u>