

Registered no. 4630661

**STANDARD FINANCIAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

**HARPERSHELDON
THE OLD SCHOOL HOUSE
LECKHAMPTON ROAD
CHELTENHAM
GL53 0AX**

STANDARD FINANCIAL LIMITED

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STANDARD FINANCIAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report and the financial statements of the company for the year ended 31 March 2007.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 the group and of the profit or loss of the group 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 a 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 the group, 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

C A Llewellyn Palmer
L J Llewellyn Palmer
G A Foster (appointed 19 December 2006)

Secretary

L J Llewellyn Palmer

Registered Office

Colgate
Ham Road
Cheltenham
Gloucestershire
GL54 4EZ

Principal Activity

The principal activity of the group throughout the year was that of financial services.

Review of Business

The results for the year and the financial position at the year end were considered satisfactory by the directors, who expect continued growth in the foreseeable future.

Future Developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the current year will show a further significant growth in sales.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

STANDARD FINANCIAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

The company's profit for the year, after taxation, amounted to £24,970 (2006 - £nil)

The group's loss for the year, after taxation, amounted to £35,636 (2006 - profit £17,403)

The directors recommended a dividend of £25,000 which was paid during the year.

Directors

The present directors are as shown above. All served on the board throughout the year.

Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

	31 March 2007	1 April 2006
C A Llewellyn Palmer		
Ordinary shares of £1 each		
Beneficial interests	1,100	1,100
Preference shares of £1 each		
Beneficial interests	53,250	53,250
L J Llewellyn Palmer		
Ordinary shares of £1 each		
Beneficial interests	100	100
Preference shares of £1 each		
Beneficial interests	53,250	53,250
G A Foster		
Ordinary shares of £1 each		
Beneficial interests	-	-
Preference shares of £1 each		
Beneficial interests	-	-

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, harpersheldon, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD

L J LLEWELLEN PALMER – SECRETARY

Date:

STANDARD FINANCIAL LIMITED

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

We have audited the financial statements of Standard Financial Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 Directors' Report the company's directors are responsible for the preparation of the 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion 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 Directors' 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 judgments 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.

STANDARD FINANCIAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STANDARD FINANCIAL LIMITED (CONT)

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 31 March 2007 and of its loss for the year then ended: and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.

harpersheldon
Registered Auditors
The Old School House
Leckhampton Road
Cheltenham
GL53 0AX

Date:

STANDARD FINANCIAL LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007 £	2006 £
TURNOVER	2	7,352,133	5,254,914
Cost of sales		6,071,894	4,267,536
		<hr/>	<hr/>
GROSS PROFIT		1,280,239	987,378
Net operating expenses	4	1,294,797	970,156
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT		(14,558)	17,222
Other interest receivable and similar income		24,025	11,672
Interest payable and similar charges	5	-	(2)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,467	28,892
Tax on profit on ordinary activities	6	45,103	11,489
		<hr/>	<hr/>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(35,636)	17,403
		<hr/> <hr/>	<hr/> <hr/>

The company's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses other than the loss for the financial year shown above.

The annexed notes form part of these financial statements.

STANDARD FINANCIAL LIMITED

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	(58,296)	132,204
Tangible assets	9	78,743	35,052
Investments	10	-	15,000
		<u>20,447</u>	<u>182,256</u>
CURRENT ASSETS			
Debtors	11	81,713	115,377
Cash at bank and in hand		327,957	258,059
		<u>409,670</u>	<u>373,436</u>
CREDITORS			
Amounts falling due within one year	12	365,650	395,387
		<u>44,020</u>	<u>(21,951)</u>
NET CURRENT ASSETS/(LIABILITIES)			
		<u>64,467</u>	<u>160,305</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	13	(106,500)	(106,500)
PROVISIONS FOR LIABILITIES			
		-	(35,202)
NET (LIABILITIES)/ASSETS			
		<u>(42,033)</u>	<u>18,603</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,200	1,200
Profit and loss account	15	(43,233)	17,403
		<u>(42,033)</u>	<u>18,603</u>
SHAREHOLDERS' FUNDS			
	16	<u>(42,033)</u>	<u>18,603</u>

These financial statements were approved by the board on
ON BEHALF OF THE BOARD

C A LLEWELLEN PALMER - DIRECTOR

STANDARD FINANCIAL LIMITED

BALANCE SHEET AT 31 MARCH 2007

FIXED ASSETS			
Investments		107,800	107,800
		<u> </u>	<u> </u>
			107,800
CURRENT ASSETS			
Debtors	11	900	930
Cash at bank and in hand		40	70
		<u> </u>	<u> </u>
		940	1,000
CREDITORS			
Amounts falling due within one year	12	1,070	1,100
		<u> </u>	<u> </u>
NET CURRENT ASSETS/(LIABILITIES)		(130)	(100)
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		107,670	107,700
CREDITORS			
Amounts falling due after more than one year	13	(106,500)	(106,500)
		<u> </u>	<u> </u>
NET (LIABILITIES)/ASSETS		1,170	1,200
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	14	1,200	1,200
Profit and loss account	15	(30)	-
		<u> </u>	<u> </u>
SHAREHOLDERS' FUNDS	16	1,170	1,200
		<u> </u>	<u> </u>

These financial statements were approved by the board on

ON BEHALF OF THE BOARD

C A LLEWELLEN PALMER - DIRECTOR

The annexed notes form part of these financial statements.

STANDARD FINANCIAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	126,358	551,491
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest receivable		24,025	11,672
Interest paid		-	(2)
		24,025	11,670
TAXATION		(20,759)	-
CAPITAL EXPENDITURE			
Payments to acquire assets		(76,362)	(48,612)
Sale of fixed assets		8,200	-
Sale of investments		15,000	-
Purchase of businesses		-	(381,075)
		(53,162)	(429,687)
DIVIDENDS PAID		(25,000)	-
INCREASE IN CASH	20	51,462	133,474

The annexed notes form part of these financial statements.

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same financial statements.

Basis of Preparation of Financial Statements

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

The effect of events in relation to the year ended 31 March 2007 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 2007 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Fixtures and fittings - 25% reducing balance

Goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets of businesses acquired. Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life.

Purchased negative goodwill (on acquisition of subsidiary undertakings) is capitalised and reviewed for impairment every three years.

Deferred Taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more tax at a future date, at the average tax rates that are expected to apply when timing differences reverse, based on current tax rates and laws.

2. TURNOVER

Turnover represents the value of goods and services supplied to customers during the year.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2007	2006
	£	£
Directors' emoluments	167,269	184,269
Depreciation of owned assets	25,360	11,685
Amortisation of intangible fixed assets	190,500	190,500
Auditors' remuneration	9,250	11,750
	<u> </u>	<u> </u>

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

4. NET OPERATING EXPENSES

	2007 £	2006 £
Administrative expenses	1,294,797	970,156
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank loans and overdrafts	-	2
	<u> </u>	<u> </u>

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

6. TAXATION

Analysis of charge in period	2007	2006
	£	£
Current tax:		
UK corporation tax on profits of the year	35,836	20,758
Total current tax	<u>35,836</u>	<u>20,758</u>
Deferred tax:		
Tax on profit on ordinary activities	9,267	(9,269)
	<u>45,103</u>	<u>11,489</u>

Factors affecting tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30 %). The differences are explained below:

	2007	2006
	£	£
Profit on ordinary activities before tax	9,467	28,892
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 %)	2,840	8,668
Effects of:		
Expenses not deductible for tax purposes	1,625	556
Excess of depreciation over capital allowances	-	12,524
Excess of capital allowances over depreciation	(5,786)	-
Marginal relief	-	(5,822)
Tax losses carried forward	-	(999)
Other tax adjustments	37,157	5,831
Current tax charge for year	<u>35,836</u>	<u>20,758</u>

7. PROFIT FOR THE FINANCIAL YEAR

Standard Financial Limited has not presented its own profit and loss account as permitted by section 230 of the Companies Act 1985.

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 April 2006	322,704
At 31 March 2007	<u>322,704</u>
Amortisation	
At 1 April 2006	190,500
Charge for the year	190,500
At 31 March 2007	<u>381,000</u>
Net book value	
At 31 March 2007	<u>(58,296)</u>
At 31 March 2006	<u>132,204</u>

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost	
At 1 April 2006	57,660
Additions	76,362
Disposals	(9,750)
At 31 March 2007	<u>124,272</u>
Depreciation	
At 1 April 2006	22,608
Charge for the year	25,360
Elimination on disposals	(2,439)
At 31 March 2007	<u>45,529</u>
Net book value	
At 31 March 2007	<u><u>78,743</u></u>
At 31 March 2006	<u><u>35,052</u></u>

10. INVESTMENTS

	2007 £	2006 £
Group		
Listed investments	-	15,000
Company		
Shares in group companies	<u>107,800</u>	<u>107,800</u>

Details of group companies	Class of Shares	Holding	Registered	Nature of Business
Financial Limited	£1 Ordinary	100%	England and Wales	IFA Network
Financial Private Clients Limited (formerly Financial 1 Limited)	£1 Ordinary	100%	England and Wales	Financial advice
IFA Compliance Limited	£1 Ordinary	100%	England and Wales	Compliance advice
Dominico Limited	£1 Ordinary	100%	England and Wales	Dormant

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

11. DEBTORS

Receivable within one year:

	GROUP		COMPANY	
	2007 £	2006 £	2007 £	2006 £
Trade debtors	25,927	10,233	-	-
Amounts owed by related party companies	37,500	-	-	-
Other debtors	15,999	95,875	900	930
Prepayments and accrued income	2,287	-	-	-
Deferred tax asset	-	9,269	-	-
	<u>81,713</u>	<u>115,377</u>	<u>900</u>	<u>930</u>

12. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2007 £	2006 £	2007 £	2006 £
Bank loans and overdrafts	26,005	7,569	-	-
Trade creditors	3,032	6,518	-	-
Social security and other taxes	17,971	15,215	-	-
Other creditors	135,094	94,184	1,070	1,100
Corporation tax payable	35,836	20,759	-	-
Accruals and deferred income	147,712	251,142	-	-
	<u>365,650</u>	<u>395,387</u>	<u>1,070</u>	<u>1,100</u>

13. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	GROUP		COMPANY	
	2007 £	2006 £	2007 £	2006 £
Preference shares	<u>106,500</u>	<u>106,500</u>	<u>106,500</u>	<u>106,500</u>

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

Preference share capital - authorised, issued and fully paid

	Shares	£
At 1 April 2006	106,500	106,500
	<u>106,500</u>	<u>106,500</u>
At 31 March 2007	106,500	106,500
	<u>106,500</u>	<u>106,500</u>

The redeemable preference shares have been classified as a financial liability, in accordance with FRS 25 Financial Instruments: Disclosure and presentation.

14. SHARE CAPITAL

	2007 £	2006 £
Authorised:		
6,893,500 ordinary shares of £1 each	6,893,500	6,893,500
106,500 Redeemable preference shares of £1 each	106,500	106,500
	<u>7,000,000</u>	<u>7,000,000</u>
Allotted, called up and fully paid:		
1,200 ordinary shares of £1 each	1,200	1,200
106,500 Redeemable preference shares of £1 each	106,500	106,500
	<u>107,700</u>	<u>107,700</u>

15. PROFIT AND LOSS ACCOUNT

	2007 £
At 1 April 2006	17,403
Retained loss for the financial year	(35,636)
Dividends	(25,000)
	<u>(43,233)</u>
At 31 March 2007	<u>(43,233)</u>

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	GROUP		COMPANY	
	2007 £	2006 £	2007 £	2006 £
(Loss)/profit for the financial year	(60,636)	17,403	(30)	-
Net movement to shareholders' funds	(60,636)	17,403	(30)	-
Opening shareholders' funds	18,603	1,200	1,200	1,200
Closing shareholders' funds	(42,033)	18,603	1,170	1,200

17. RELATED PARTIES

The parent company of the group, Standard Financial Limited, is a related party of Investments Limited and Financial Protection Network Limited due to the common director C A Llewellyn Palmer.

During the year, Investments Limited charged £12,000 (2006 - £35,124) in respect of network fees and indemnity charges to the group. At the year end £ nil (2006 - £5,000) was due to Investment Limited from the group.

In addition the group loaned Investments Limited £31,500 and £6,000 to Financial Protection Network Limited. Both these amounts remained outstanding at the year end.

During the year rent, before charges, of £36,000 were paid to Colgate Farm Limited which C A Llewellyn-Palmer, is a director, for office accommodation. The following amounts were recharged related party companies:

Financial Protection Network £1,800
Investments Limited £4,500

18. CONTROLLING PARTY

The company is controlled by the directors, C A Llewellyn Palmer and L J Llewellyn Palmer, by virtue of their shareholdings as described in the directors' report.

STANDARD FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007 (CONT)

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

	2007 £	2006 £
Operating (loss)/profit	(14,558)	17,222
Depreciation charge	25,360	11,685
Profit on sale of fixed assets	(887)	-
Amortisation of intangible fixed assets	190,500	190,500
Decrease/(increase) in debtors	24,395	17,370
(Decrease)/increase in creditors	(63,250)	314,714
Provision for liabilities and charges	(35,202)	-
	<hr/>	<hr/>
Net cash inflow/outflow from operating activities	126,358	551,491
	<hr/> <hr/>	<hr/> <hr/>

20. ANALYSIS OF NET FUNDS

	2006 £	Cash flow £	Other changes £	2007 £
Cash at bank and in hand less bank overdraft	250,490	51,462	-	301,952
Debt due after 1 year	(106,500)	-	-	(106,500)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	143,990	51,462	-	195,452
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007 £	2006 £
Increase in cash in the year	51,462	133,474
	<hr/>	<hr/>
Movement in net funds in the year	51,462	133,474
Cash acquired with subsidiaries		116,941
Other major non-cash changes		(106,500)
Net funds at 1 April 2006	143,990	75
	<hr/>	<hr/>
Net funds at 31 March 2007	195,452	143,990
	<hr/> <hr/>	<hr/> <hr/>

