

one vision

A J Bell Group was founded in August 1995 and is now recognised as one of the UK's leading administrators of self administered pension schemes, with assets under trusteeship exceeding £5bn.

The Group specialises in the provision of trustee, administration and actuarial services to Self Invested Personal Pensions (SIPPs) and Small Self Administered Schemes (SSASs).

As a result of the Group's commitment to provide a high quality and cost effective service in a rapidly expanding market, we have become one of the fastest growing businesses in this sector.

We have never provided financial advice or investment management services. We operate exclusively on an execution only basis, whether directed by the pension scheme member or by their adviser. We continue to remain true to these founding principles.

At A J Bell we have a single vision, that is to provide administration services that meet our clients' needs in a friendly, efficient and cost effective way.

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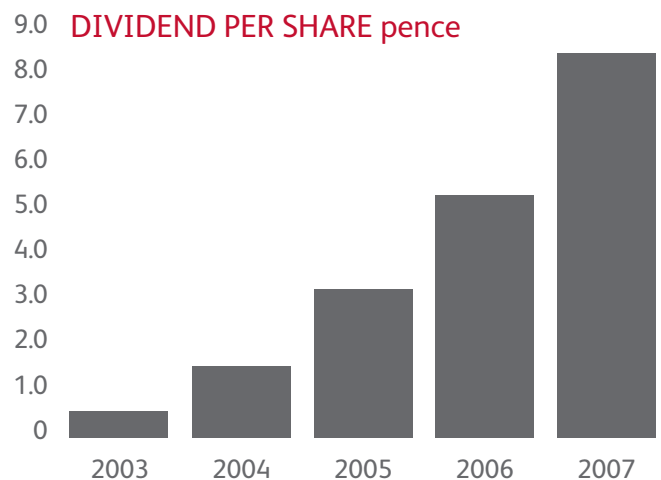
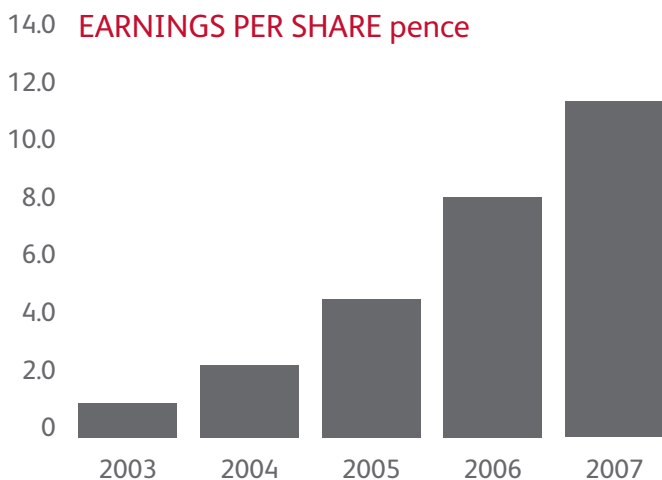
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our financial track record



two markets

SIPP – a flexible, transparent and cost effective personal pension, allowing pension savings to be invested into a wide range of asset classes. Since A-day in April 2006, SIPPs have become a must-have savings product for a wide variety of pension savers.

SSAS – allows control of pension arrangements within a flexible and tax efficient environment. Ideally suited for shareholding directors of private companies.

three's
a crowd...?

... most definitely not. We are delighted to work in conjunction with our clients' other advisers, be they financial advisers, investment managers or property professionals. Sticking to our knitting has been an oft used phrase within A J Bell over the last twelve years and we will continue to specialise in administrative services, leaving other professionals to do what they do best.

four sight

Our vision has helped shape the SIPP market. Until the launch of Sippdeal, the UK's first online SIPP, SIPPs were perceived as a niche product only suitable for high net worth individuals. How that has changed in the last seven years! We recognised and subsequently helped drive the polarisation of the SIPP market into three distinct sectors. The traditional bespoke market, the low cost online direct to consumer market and the low cost funds based adviser led market. We are the only SIPP provider that successfully delivers SIPP products into each of these markets.

our markets

When the Group was established in 1995, our principal market was high net worth individuals and company directors. However, since then, this has widened to include people from all walks of life who have one desire in common – to better plan for their retirement.

growing demand

Since A-day, growth in the private pension market has been driven by increasing numbers of pension savers being attracted to SIPPs – with the SSAS market entering a mature phase in its growth. The SIPP market has been driven by pension savers demanding control, flexibility and transparency from their pension providers. This has been further underpinned by financial advisers realising that they must deliver products that not only meet the needs of their customers, but also enable them to properly fulfil their own role as pension/investment adviser.

principles

We are an ambitious business that is committed to continuous and progressive development. Our success depends on our reputation that has been earned over many years. The people who make up A J Bell Group are critical to maintaining and enhancing our excellence of service, which in turn underpins our reputation. Our Group Operating Principles act as a framework for operating and growing the business.

our strategy

Our long term aim is to provide the highest quality execution only savings administration platform, taking advantage of technology wherever possible. Our services are currently restricted to pension products, although our medium term strategy will take us into administering other financial products. We have no desire nor intention to offer an advice led proposition, whether it be general financial or investment management services. To date the Group has grown organically, however, we recognised some time ago that we may have to make strategic acquisitions to enable us to provide the depth and breadth of investment execution services that our clients and advisers require.

This is the first opportunity I have had to write to all the shareholders since my appointment as Chairman of the Group and it is with great pleasure that I present the annual report and accounts for the year ended 30 September 2007.

I am delighted to report that A J Bell Group has continued along a strong growth path, has increased its profitability and has strengthened its senior management team.



STATEMENT FROM THE CHAIRMAN

I am pleased to inform you that the Group revenues have grown by 32% to £16.2m with profit before tax increasing 47% to £6.6m and fully diluted earnings per share rising by 40% to 11.5p per share. The Group has also enjoyed strong cash flow generation, with over £4.2m net inflow during the year. This has enabled the Group's Board to declare a further dividend of 5.3p per share bringing the total dividend relating to this year's earnings to 8.3p per share.

During the year, the Group has increased its focus on corporate governance and has created board committees to deal with Audit and Risk, Remuneration and Nominations. During February 2007 our first institutional shareholder further increased its stake and we welcomed a second to our list of shareholders. Although our Group remains private the Board has decided to present its results in a style more similar to that of a public company. As you will see from these

accounts, we have elected to adopt IFRS for the first time. I hope this new format will provide more transparency and information to all of our shareholders.

Success in any business depends on having a satisfied client base. In the last year our number of clients has increased by more than 7,800 representing an increase of 40%.

The strength of our growth is reflected in the increase in funds under trusteeship which has risen to more than £5bn at 30 September 2007.

The Group has faced a number of challenges during the year of which a significant one was the introduction of regulation to the SIPP market, effective from April 2007.

The management of the Group has been strengthened in the last few months and there have been structural changes to the Board. In May, Stuart Dootson joined as Group Finance Director. His background in similar appointments in listed companies brings to the Group best practice in financial reporting and shareholder communications. Nicholas Littlefair, one of the founding directors of the Group, has reduced his day-to-day involvement and has become a non-executive director. He has successfully made this transition and we are delighted to retain his expertise and experience.

The Board is supported by an Executive Committee ("ExCo") which along with the Chief Executive and Group Finance Director is responsible for the day-to-day management of the Group. This comprises our six most

senior executives Richard Taylor – Legal & Technical Director, Ian Bell – Operations Director, Fergus Lyons – Commercial Director, Elizabeth Carrington – HR Director, Stephen Pooley – Group Financial Controller and David Pimblett – IT Director.

The Board's strategy for the Group is to continue its growth by broadening the administration and execution services it provides in and around the SIPP and SSAS markets. Although completed after the year end, the acquisition of Lawshare Limited, an institutional execution only stockbroker, is a key step in delivering this strategy. Eventually this will enable us to broaden our product offering and provide a new related market segment in which we can expand.

Having completed this key acquisition, the Group is poised for further earnings growth. Although the new business will take some 18 months or so to properly integrate, I am confident the senior management team will deliver and dramatically enhance the value of the Group.

Jim Martin
Chairman

This year has seen the business achieve a number of key milestones; the SIPP business has successfully complied with FSA regulation; the Group as a whole has achieved significant growth in turnover, profits and funds under trusteeship; and just before Christmas we completed the purchase of Lawshare Limited.



STATEMENT FROM THE CHIEF EXECUTIVE

This has been yet another record breaking year for us with full year revenues up by 32% to £16.2m, profits up by 47% to £6.6m and fully diluted earnings per share up by 40% to 11.5p. Our five year track record for growth is testament to the efforts of my senior management team and staff. During the year we generated over £4.2m in free cash flow which is indicative of our business model having a short working capital cycle where profits are quickly turned into cash.

Whilst managing the growth of our business during the year, we have also had to reorganise our activities to reflect the regulation of the SIPP market by the Financial Services Authority ("FSA"). In doing so, we have divided the operations of the Group between FSA regulated and non-regulated activities.

Overall, I am delighted with the performance and commitment of our staff, not only to deliver yet another year of record results, but also in meeting the challenge of the new regulatory regime, to comply with FSA supervision. At this point, I feel it is appropriate to highlight the contribution of our Legal and Technical Director, Richard Taylor who coordinated the whole process. In September, we received an "Arrow" visit from the FSA, this being one of the first for any SIPP administrator.

We have also reviewed our approach to "Treating Customers Fairly" within our business. This is now firmly embedded in our culture and is a key operational objective for the whole Group.

April 2007 saw the end of the first full tax year following the introduction of the new simplified pensions regime. Contributions into our SIPPs in the 2006/07 tax year increased to £344m, from £81m in the previous tax year. The FSA's shot across the bows of financial advisers operating in the pension transfer market has rightly seen pension transfers find a more sensible and sustainable level.

I am delighted that our first class service has been recognised in 2007, with us winning a number of industry awards, including the Moneywise Best Low Cost SIPP and the Daily Telegraph's Best SIPP Service.

To strengthen the Board and the management of the company we have made new Board appointments. I was delighted that Jim Martin accepted the invitation to become non-executive Chairman. With his vast business experience, his wise counsel is invaluable to the Group. Stuart Dootson also joined the Board as Group Finance Director during the year and his experience has been important in completing the recent acquisition of Lawshare Limited.

Our performance	2006/2007	2005/2006	% change
Revenue (£m)	16.2	12.3	32
PBT (£m)	6.6	4.5	47
Fully diluted EPS (p)	11.5	8.2	40
Dividend per share (p)	8.3	5.4	54

During the year our workforce has grown from 171 to 220. Our people are the single most valuable asset in our business. They enable us to provide a best of breed administration service to our clients. I am committed to providing industry leading training and development for our workforce, as I see this as the only way of maintaining our lead in the services we provide. One of our major achievements during the year has been the development of our in-house training resource, this enabling us to provide more soft skills and technical training than ever before. Also, I believe it is essential to provide a pleasant and comfortable working environment for our employees and our current office space has now increased to 34,500 square feet in Manchester, this supplemented by 3,160 square feet in our disaster recovery site in Ormskirk.

Although I am confident that our Group can continue to grow organically, with its current product offerings, I have carried out a strategic review of what we currently provide to our clients, and what we may wish to provide in the future.

The conclusion of this review was that maintaining our position as a specialist SIPP provider will restrict our growth potential. Our ambition is to deepen the services we provide in order that we can then broaden our product offerings, ultimately outside of the pension arena.

As a first step in this direction, I am pleased to announce that in early December 2007, the Group completed the acquisition of Lawshare Limited, an institutional execution only stockbroker, based outside London.

There will be a period of integration and transition. This is likely to take approximately 18 months as both system changes are required and more people need to be recruited. However, even at its current level of operation, this acquisition is earnings enhancing with the consideration and transformation costs being funded predominantly by borrowings.

The potential flowing from this purchase is substantial and I look forward to updating the progress of the acquisition, its integration into the A J Bell Group and the opportunities it will provide at the Interims.

Over the last five years we have laid the foundation for a successful Group with well motivated and trained personnel, an efficient business structure and a growing number of satisfied clients, many serviced by advisers. Over the next 12 months, I look forward to an exciting period as we integrate Lawshare into our Group, whilst also seeking to exploit the opportunity provided by the introduction of “protected rights” into SIPPs. This development alone will provide us with a challenge, though the rewards in terms of funds under trusteeship could be significant.

The first quarter of the 2007/08 financial year, has seen turnover and profits broadly in line with our expectations. We have good grounds to be optimistic for a successful and profitable future. I look forward to reporting on our progress in due course.

Andy Bell
Chief Executive



Jim Martin



Andy Bell



Nicholas Littlefair



Stuart Dootson

DIRECTORS HOLDING BOARD

Jim Martin

Non-executive Chairman

Joined the Group in February 2007 having held several board appointments across various sectors during his career, including retail and house building, while maintaining an interest in a number of non-commercial endeavours. Jim was CEO at N Brown Group plc until 2002 following which he took up the role of non-executive deputy chairman until 2005. Since then, he has been involved in a number of private-equity-backed and listed companies.

Nicholas Littlefair

Non-executive Director

Nicholas started his working life in financial services where he gained experience working for both stockbroking and life assurance companies. During this period he obtained the ACII qualification. He then moved on to work in pension administration roles where he met Andy Bell. Having spent over a decade as a full time executive within the Group, Nicholas has moved to a non-executive capacity in order that he can spend more time with his family and pursue some other personal ambitions.

Andy Bell

Chief Executive

Andy formed the A J Bell Group in 1995 with Nicholas Littlefair, having spent a number of years working within the financial services sector and qualifying as an actuary. He has built the Group into one of the largest SSAS and SIPP administrators in the UK. He manages the Group through an Executive Committee (“ExCo”), which he chairs. He is the principal driving force behind the business though increasingly his focus is on strategy and growth opportunities as opposed to operational matters.

Stuart Dootson

Group Finance Director

Joined the group in May 2007. Stuart is a Chartered Accountant, having qualified in 1991. He graduated from Cambridge University in 1988 with a degree in Mathematics. From university he joined one of the “big four” audit companies, and remained in public practice for eleven years before moving into commerce in 1999. Since moving out of practice he has held board level positions across a number of industries and companies, including publicly quoted groups.



Fergus Lyons



Ian Bell



Richard Taylor



Stephen Pooley



Elizabeth Carrington



David Pimblett

DIRECTORS OPERATIONAL BOARD

Fergus Lyons

Commercial Director

Fergus joined the company in August 2000 having previously been employed at a major bank for over 20 years. Fergus is responsible for sales and marketing and also the management of our commercial relationships with investment partners and other financial institutions.

Stephen Pooley

Group Financial Controller

Stephen joined the company in July 2001. Since qualifying as a Fellow of the Chartered Institute of Management Accountants in 1976, he has held a number of key finance roles within many different industries. Stephen is responsible amongst other things for the production and monitoring of the Group's accounts and budgeting.

Ian Bell

Operations Director

Ian joined the company in March 2002 having previously held a number of senior roles in both life assurance companies and with SSAS/SIPP providers. Ian is responsible for all operational matters relating to our pension products.

Elizabeth Carrington

Human Resources Director

Elizabeth joined the Group in October 1997 as a graduate trainee. Having held a number of different roles in the company she chose the HR route for her career and has become a fully qualified HR professional. Elizabeth has a small team who are responsible for HR administration and recruitment. In addition, the HR department is responsible for the provision of soft skills training and personal development.

Richard Taylor

Legal and Technical Director

Richard joined the company in October 2005. He has held a number of senior technical, legal and marketing roles with leading life insurers. Richard heads our relationship with our regulators but also has responsibility for our interpretation of the legislation and regulation applying to pensions to ensure that all work is carried out within the appropriate guidelines. In addition to this, Richard has a small operations interface team (who deal with the technical training for all staff) and a compliance monitoring team.

David Pimblett

IT Director

David joined the company in September 2006 to pull together all of the IT functions under a single head. He previously held a senior role with a leading life assurance company. David is responsible for the supply, maintenance and development of all IT systems used in the business as well as the supply of required hardware. In addition, he is responsible for the Business Analysis function which deals with systems process design and enhancements.

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the financial statements and auditors' report, for the year ended 30 September 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Group comprise the provision of administration services for Self Invested Personal Pensions (SIPPs) and Small Self Administered Schemes (SSASs).

The subsidiary and associated undertakings principally affecting the profits or net assets of the Group in the year are listed in note 14 to the financial statements.

BUSINESS REVIEW

The company is required by the Companies Act to set out in this report a fair review of the business of the Group during the financial year ended 30 September 2007 and of the position of the Group at the end of the year and a description of the principal risks and uncertainties facing the Group ('business review'). The information that fulfils the requirements of the business review can be found within the Chairman's and Chief Executive's reports on pages 9 to 11 and in the principal risks and uncertainties section opposite.

Details of significant events since the balance sheet date are contained in note 28 to the financial statements.

DIVIDENDS

The company paid a final dividend of 5.3p per ordinary share on 18 December 2007 to ordinary shareholders on the register on 30 November 2007 which, together with the interim dividend of 3p paid on 17 May 2007, made a total of 8.3p per share for the year (2006: 5.4p).

DIRECTORS

The directors, who served throughout the year except as noted, were as follows:

Jim Martin (Chairman) (appointed 30 January 2007)
Andy Bell (Chief Executive)
Stuart Dootson (Group Finance Director) (appointed 11 July 2007)
Nicholas Littlefair (Non-executive)

DIRECTORS' INTERESTS

The directors who held office at 30 September 2007 had the following interests in the shares of the company:

Name of director	Description of share	30 September 2007	1 October 2006 or subsequent date of appointment
Andy Bell	Ordinary shares	16,434,161	20,868,770
Nicholas Littlefair	Ordinary shares	3,025,079	4,002,188
Jim Martin	Ordinary shares	125,000	–

DIRECTORS' SHARE OPTIONS

None of the directors held share options during the year.

PRINCIPAL RISKS AND UNCERTAINTIES**CREDIT RISK**

The Group is exposed to the usual credit risk and cash flow risk associated with selling on credit. Credit risk at inception is managed as part of the process of customer due diligence and thereafter arrears levels are monitored by the Board. Ultimately the Group considers that the credit risk is minimal as there are always assets available to pay these debts within the pension schemes that it administers.

INTEREST RATE RISK

As at the year end, the Group had no borrowings and therefore was not exposed to risk in this area.

FINANCIAL INSTRUMENTS

The Group does not actively use financial instruments as part of its financial risk management. The nature of the Group's financial instruments means that they are not subject to price risk or liquidity risk.

EXCHANGE RATE RISK

The Group's activities are exclusively in sterling and are not subject to exchange rate risk.

ENVIRONMENT

As the Group operates in the financial services sector its actions do not have a significant impact on the environment. The Group recognises the importance of the environment and acts to minimise its impact wherever it can, particularly in respect of recycling and energy consumption.

DIRECTORS' REPORT CONTINUED

SUPPLIER PAYMENT POLICY

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of the payment and abide by the terms of the payment. Trade creditors of the Group at 30 September 2007 were equivalent to 37 (2006: 37) days' purchases, based on the average daily amount invoiced by suppliers during the year.

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the Group made charitable donations of £13,949 (2006: £1,152), principally to local charities serving the communities in which the Group operates. Of this amount £10,000 was donated to Christie Hospital where Jim Martin is Chairman.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible be identical to that of other employees.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and internal update memorandum. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. The employee share scheme has been running successfully since its inception on 28 June 2005. The directors believe that the incentivisation of senior management and key employees by equity participation is an important factor in the continuing success of the Group and aligns the interests of management with that of the non-employee shareholders.

AUDITORS

During the year Duncan Sheard Glass resigned as auditors and Deloitte & Touche LLP were appointed by the directors. In accordance with section 385 of the Companies Act 1985, a resolution proposing that Deloitte & Touche LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

STATEMENT OF DISCLOSURE AND AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the 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.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte and Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Trafford House
Chester Road
Manchester
M32 0RS

By order of the Board,
Director
Stuart Dootson
25 January 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements under International Financial Reporting Standards (IFRS) as adopted by the European Union and the parent company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are also required by law to be properly prepared in accordance with the Companies Act 1985.

International Accounting Standard 1 requires that IFRS financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The parent company financial statements are required by law to give a true and fair view of the state of affairs of the company. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the parent company 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A J BELL HOLDINGS LIMITED

TO THE SHAREHOLDERS OF AJ BELL HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of A J Bell Holdings Limited for the year ended 30 September 2007 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Group Statement of Recognised Income and Expense and the related notes 1 to 31. 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 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

The directors' responsibilities for preparing the Annual Report and the group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and for preparing the parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 other transactions is not disclosed.

We read the other information contained in the Annual Report in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 group's and 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 group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the group's affairs as at 30 September 2007 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 30 September 2007;
- the group and parent company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Accounts

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CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2007

	Notes	2007 £000	2006 £000
CONTINUING OPERATIONS:			
Revenue	4	16,150	12,260
GROSS PROFIT		16,150	12,260
Administrative expenses		(9,854)	(7,843)
OPERATING PROFIT FROM OPERATIONS	5	6,296	4,417
Interest income		313	107
Interest expense		(57)	(34)
Net Finance income	7	256	73
PROFIT BEFORE TAX		6,552	4,490
Tax	8	(2,080)	(1,362)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		4,472	3,128
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE PARENT		4,472	3,128
EARNINGS PER ORDINARY SHARE			
Basic (pence)	10	11.60	8.26
Diluted (pence)		11.47	8.15

There were no other items of recognised income and expense in either year and consequently no Statement of Recognised Income and Expense has been presented.

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 30 SEPTEMBER 2007

	Notes	2007 £000	2006 £000
ASSETS			
NON-CURRENT ASSETS			
Other intangible assets	12	144	108
Tangible assets	13	810	638
		954	746
CURRENT ASSETS			
Trade and other receivables	15	3,996	2,908
Cash and cash equivalents	15	4,457	1,834
		8,453	4,742
Total Assets		9,407	5,488
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	(1,425)	(1,341)
Obligations under finance leases	17	(82)	(107)
Current tax liabilities		(1,404)	(969)
		(2,911)	(2,417)
NET CURRENT ASSETS		6,496	2,325
NON-CURRENT LIABILITIES			
Obligations under finance leases	17	(117)	(91)
Long term provisions	19	(53)	(43)
Other long term payables	18	(42)	(48)
Deferred tax liabilities	16	(49)	(35)
		(261)	(217)
TOTAL LIABILITIES		(3,172)	(2,634)
NET ASSETS		6,235	2,854
EQUITY			
Share capital	20	39	38
Share premium	21	110	45
Other reserves	22	8	4
Retained earnings	22	6,078	2,767
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		6,235	2,854

The financial statements were approved by the Board of Directors on 25 January 2008 and were signed on its behalf by Stuart Dootson.

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2007

	Notes	2007 £000	2006 £000
CONTINUING OPERATIONS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23	5,602	4,342
Interest paid		(57)	(34)
Interest received		314	107
Tax paid		(1,631)	(973)
NET CASH INFLOW FROM OPERATING ACTIVITIES		4,228	3,442
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(398)	(426)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(398)	(426)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease liabilities		(112)	(105)
Payment of long-term borrowings		–	(50)
Proceeds from issue of share capital		66	–
Dividends paid		(1,161)	(2,803)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(1,207)	(2,958)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,623	58
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,834	1,776
CASH AND CASH EQUIVALENTS AT END OF YEAR		4,457	1,834

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2007

1. GENERAL INFORMATION

A J Bell Holdings Limited is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 45. The nature of the Group's operations and its principal activities are set out on pages 14 to 16.

The consolidated financial statements for the Group were approved by the Board on 25 January 2008.

2.1 BASIS OF PREPARATION

The Group financial statements are presented in pounds sterling, rounded to the nearest thousand. They are prepared on the historical cost basis and the principal accounting policies applied in the preparation of these financial statements are set out in note 2.4. These policies have been consistently applied to both years presented unless otherwise stated.

The consolidated Group financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the European Union. These are those standards, subsequent amendments and related interpretations issued and adopted by the International Accounting Standards Board ('IASB') that have been endorsed by the European Union at the year end. They also comply with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The Group previously reported under UK Generally Accepted Accounting Principles (UK GAAP).

TRANSITION TO IFRS

These financial statements show the results for the years ended 30 September 2007 and 30 September 2006. The results for the year ended 30 September 2006 have been extracted from the Group's financial statements for that year and have been adjusted for the effects of changes in accounting policies on transition to IFRS. These adjustments are set out in notes 29 to 31.

The Group has applied IFRS1 'First-time adoption of International Financial Reporting Standards', and has elected to use the following exemptions:

- IFRS 3 has not been applied retrospectively to business combinations that occurred before 1 October 2005.
- The Group has elected to apply the share based payment exemption. It has applied IFRS2 to those options that were issued after 7 November 2002 but have not vested by 30 September 2005.
- The Group has applied IAS32 'Financial Instruments: Disclosure and Presentation' and IAS39 Financial Instruments: Recognition and Measurement' for all periods presented and has therefore not taken advantage of the exemption of IFRS1 that would enable the Group to only apply these standards prospectively.

At the date of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 7 – Financial instruments: Disclosures; and the related amendment to IAS 1 on capital disclosures

IFRS 8 – Operating Segments

IAS 1 – Amendment 'Capital Disclosures'

IAS 23 – Amendment 'Borrowing Costs'

IFRIC 4 – Determining whether an Arrangement contains a Lease

IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

IFRIC 8 – Scope of IFRS 2

IFRIC 9 – Reassessment of Embedded Derivatives

IFRIC 10 – Interim Financial Reporting and Impairment

IFRIC 11 – Group and Treasury Share Transactions

IFRIC 12 – Service Concession Arrangements

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. They cease to be consolidated from the date that the Group no longer has control.

All inter-company transactions, balances, incomes and expenses are eliminated on consolidation.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

A list of the significant investments in subsidiaries, including the name, country of incorporation, and proportion of ownership interest is given in note 14 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2007

2.3 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are discussed below.

DEFERRED TAX ASSETS

Deferred tax assets include temporary differences related to employee benefits settled via the issue of share options. Recognition of the deferred tax assets assumes share options have a positive value at the date of vesting, which is greater than the share option cost recognised in the income statement.

ACCRUED COMMISSION INCOME

Accrued commission income is recognised in respect of commissions due to the Group on investments and bank deposits placed during the accounting period which have not been received at the balance sheet date. This requires an estimation of the amount of commission income that will be received subsequent to the balance sheet date in respect of the accounting period. The carrying amount of accrued commission income at 30 September 2007 was £1,610,606 (2006: £1,163,915).

SHARE BASED PAYMENTS

In applying IFRS2 Share-based payment, the directors have estimated that an 85% discount rate is to be applied to the share option valuation as calculated by the generally accepted valuation model. This discount rate is based on independent advice given to the directors during the process of determining the share option valuation.

2.4 SIGNIFICANT ACCOUNTING POLICIES

Accounting policies as shown below have been consistently applied throughout the current and prior year.

BUSINESS COMBINATIONS

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit and loss and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill was tested for impairment at 1 October 2005, the date of transition to IFRSs, and as a result was fully written off at that date.

REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. The Group invoices clients in arrears for advising on and administering their affairs.

No revenue is recognised if there are significant uncertainties regarding recovery.

Interest income is recognised as earned, using the effective interest method. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

RETIREMENT BENEFIT COSTS

The Group makes discretionary payments into the personal pension schemes of certain employees. Contributions are recognised in the income statement as they are payable.

TAXES

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised on all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

SALES TAX

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable in whole or in part from the taxation authority.

Where the sales tax is not recovered in whole or in part from the taxation authority, it is expensed through the Income Statement.

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle that obligation at the balance sheet date, and are discounted to present value where the effect is material. Regarding property leases, provisions for dilapidation charges that will crystallise at the end of the period of occupancy are charged to the income statement evenly over the period of the lease.

SHARE BASED PAYMENTS

The Group has applied the requirements of IFRS2 Share-based payment. For the purposes of this financial information IFRS2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 30 September 2005.

The Group issues equity-settled share based payments to certain employees. Equity-settled share based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured by use of the Black Scholes method. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. As the company's shares are not currently listed on a stock exchange and therefore no readily available market price exists for the shares, the share price has been based on a generally accepted business valuation model and share price volatility has been estimated as the average of the volatility applying to a comparable group of listed companies.

LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental payments under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2007

2.4 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

PROPERTY, PLANT AND EQUIPMENT

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided, where material, on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly using a straight line method over its estimated useful life as follows;

Leasehold improvements	over the life of the lease
Office equipment	4 years
Computer equipment	4 years

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

INTANGIBLE ASSETS EXCLUDING GOODWILL

Other intangible assets comprise computer software which is stated at cost less amortisation and any recognised impairment loss. Amortisation is provided, where material, on all intangible fixed assets excluding goodwill at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly using a straight-line method over its estimated useful life as follows;

Computer software	4 years
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The carrying values of computer software are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as income.

Website development design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset, which delivers benefits beyond one year and which are at least as great as the amount capitalised. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

TRADE RECEIVABLES

Trade receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Group balance sheet. For the purposes of the Group cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

TRADE PAYABLES

Trade payables are measured at fair value.

3. SEGMENTAL REPORTING

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. The principal activities of the Group are the provision of administration services for self invested personal pension schemes and their equivalent for small groups of individuals in the UK. As the Group only operates in one business segment, no additional business segmental analysis has been included.

All business activities are located within the UK and therefore the Group operates in a single geographical segment.

4. REVENUE

	2007 £000	2006 £000
An analysis of the Group's revenue is as follows:		
Fee and commission income	16,150	12,260

5. PROFIT FROM OPERATIONS

	2007 £000	2006 £000
Profit for the year has been arrived after charging (crediting):		
Depreciation of tangible assets	251	222
Amortisation of intangible assets	52	45
Loss on disposal of tangible assets	1	1
Operating lease rentals		
Plant and machinery	5	7
Other assets	417	319
Staff costs	7,254	5,780
Auditors' remuneration for the audit of the Group's annual accounts	30	9
Auditors' remuneration for the audit of the company's annual accounts	9	4
Auditors' remuneration for taxation services	10	5

6. EMPLOYEE BENEFIT COSTS AND EMPLOYEE NUMBERS

	2007	2006
The average number of employees (including executive directors) in the continuing operations of the Group was:		
Administrative functions	193	147

The aggregate employee costs for the continuing operations of the Group were as follows:

	£000	£000
Wages and salaries	6,315	5,064
Social security costs	681	553
Retirement benefit costs (note 2)	258	163
	7,254	5,780

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	£000	£000
Key management personnel is represented by the Board of Directors as shown on pages 12 to 13, and certain senior management.		
Wages and salaries	1,568	1,245
Retirement benefit costs (note 2)	88	67
Share based payment	4	3
	1,660	1,315

REMUNERATION OF DIRECTORS

	£000	£000
This includes the board of directors as shown on page 12		
Wages and salaries	811	754
Retirement benefit costs (note 2)	47	42
	858	796

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2007

6. EMPLOYEE BENEFIT COSTS AND EMPLOYEE NUMBERS CONTINUED

REMUNERATION OF HIGHEST PAID DIRECTOR

	2007 £000	2006 £000
Wages and salaries	572	418
Retirement benefits costs (note 2)	23	21
	<u>595</u>	<u>439</u>

7. NET FINANCING INCOME

	2007 £000	2006 £000
Interest income:		
Interest on bank deposits	313	107
	<u>313</u>	<u>107</u>
Interest expense:		
Obligations under finance leases	(42)	(28)
Other	(15)	(6)
NET FINANCE INCOME	<u>256</u>	<u>73</u>

8. TAX EXPENSE

	2007 £000	2006 £000
ANALYSIS OF CHARGE RECOGNISED IN THE GROUP INCOME STATEMENT		
Current tax		
UK Corporation tax on income for the year	1,975	1,354
Adjustment in respect of prior years	91	(1)
	<u>2,066</u>	<u>1,353</u>
Deferred tax (note 16)	14	9
TOTAL TAX EXPENSE IN GROUP INCOME STATEMENT	<u>2,080</u>	<u>1,362</u>

Corporation tax is calculated at 30% of the estimated assessable profit for the year.

The charge for the year can be reconciled to the profit per the income statement as follows

Profit before tax from continuing operations	6,552	4,489
Profit before tax multiplied by the standard rate of Corporation tax in the UK of 30% (2006: 30%)	1,966	1,347
Effects of		
Adjustments to tax charge in respect of prior periods	91	(1)
Expenses not deductible	11	5
Difference in tax rates	12	10
Other adjustments	–	1
Total tax expense in Group income statement	<u>2,080</u>	<u>1,362</u>
Effective tax rate	<u>31.7%</u>	<u>30.3%</u>

9. DIVIDENDS

	2007 £000	2006 £000
Amounts recognised as distributions to equity holders during the year		
Final dividend for year ended 30.9.2005 of 2p	–	757
Final dividend for the year ended 30.9.2006 of 3.4p per share	–	1,288
Interim dividend for year ended 30.9.2007 of 3p (2006: 2p) per share	1,161	758
Ordinary dividends paid on equity shares	<u>1,161</u>	<u>2,803</u>

Dividend is payable to all classes of issued and fully paid up shares as disclosed in note 20.

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

EARNINGS (ALL FROM CONTINUING OPERATIONS)

	2007 £000	2006 £000
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the parent	4,472	3,128

NUMBER OF SHARES

	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share in issue during the year	38,557,959	37,875,000
Dilutive effect of potential ordinary shares	439,438	481,562
Weighted average number of ordinary shares for the purposes of diluted earnings per share in issue during the year	38,997,397	38,356,562

11. GOODWILL

	2007 £000	2006 £000
Cost at 1 October	112	112
Aggregate impairment	(112)	(112)
Net book amount at 30 September	–	–

On transition to IFRS on 1 October 2005, the outstanding balance of goodwill (£111,847) arising on the acquisition of Fi Software Limited was tested for impairment and the directors have made the decision to write down the balance to £Nil immediately. See Transition to IFRS note 29.

12. OTHER INTANGIBLE ASSETS

	Computer software £000
COST	
At 1 October 2005	221
Additions	79
At 30 September 2006	300
Additions	88
AT 30 SEPTEMBER 2007	388
AMORTISATION	
At 1 October 2005	146
Charge for the year	46
At 30 September 2006	192
Charge for year	52
AT 30 SEPTEMBER 2007	244
Carrying amount at 30 September 2006	108
CARRYING AMOUNT AT 30 SEPTEMBER 2007	144

The net book value of computer software held under finance lease and capitalised in other intangible assets is £4,000 (2006: £12,000).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2007

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £000	Computer equipment £000	Office equipment £000	Total £000
COST OR VALUATION				
At 1 October 2005	105	600	197	902
Additions	136	179	118	433
Disposals		(5)	(5)	(10)
At 30 September 2006	241	774	310	1,325
Additions	201	177	45	423
Disposals	–	(1)	(25)	(26)
AT 30 SEPTEMBER 2007	442	950	330	1,722
DEPRECIATION				
At 1 October 2005	47	302	125	474
Charge for the year	41	132	49	222
Disposals		(5)	(4)	(9)
At 30 September 2006	88	429	170	687
Charge for year	38	150	63	251
Disposals	–	(1)	(25)	(26)
AT 30 SEPTEMBER 2007	126	578	208	912
Carrying amount at 30 September 2006	153	345	140	638
CARRYING AMOUNT AT 30 SEPTEMBER 2007	316	372	122	810

The carrying amount of the Group's fixtures and equipment includes an amount of £230,000 (2006: £212,000) in respect of assets held under finance leases.

14. SUBSIDIARIES

A list of the significant investments in subsidiaries, all of which are incorporated in the UK, is shown below. All of the subsidiaries are wholly owned, all are registered in England & Wales, and all excluding dormant subsidiaries have as their principal activity the provision of administration services for self invested personal pension schemes and their equivalent for small groups of individuals in the UK.

Name of company	Country of incorporation or principal business	Principal activity	Holding %
+ A J Bell Limited	England	Pension administration	100
A J Bell Trustees Limited	England	Dormant	100
Ken Hovers (Pension Consultants) Limited	England	Dormant	100
+ Ashby London Actuarial Services Limited	England	Pension administration	100
Ashby London Trustees Limited	England	Dormant	100
+ A J Bell Management Limited	England	Pension administration	100
Sippdeal Trustees Limited	England	Dormant	100
A J Bell (PP) Trustees Limited	England	Dormant	100
Whitehead Trustees Limited	England	Dormant	100
Ashby London (PP) Trustees Limited	England	Dormant	100
Sippdeal Limited	England	Dormant	100
+ Fi Software Limited	England	Dormant	100

+ Held directly by A J Bell Holdings Limited

15. OTHER FINANCIAL ASSETS

	2007 £000	2006 £000
Trade receivables	3,672	2,448
Prepayments and accrued income	324	460
TRADE AND OTHER RECEIVABLES	3,996	2,908

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents	4,457	1,834
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Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

CREDIT RISK

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has implemented procedures that require appropriate credit or alternative checks on potential customers before business is undertaken. Financial Instrument counterparties are subject to pre-approval by the Board and such approval is limited to financial institutions with a long term rating of A+ (Standard & Poor rating) or better. The amount of individual counterparty exposure is subject to a limit which is reassessed annually by the Board.

INTEREST RATE RISK

The Group had no external borrowings at the year end and as such is not exposed to interest rate or refinancing risk on borrowings. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

LIQUIDITY RISK

The Group actively maintains a cash balance on short term deposit to ensure that the Group has sufficient available funds for operations and complies with all the regulations of the Financial Services Authority.

EMBEDDED DERIVATIVES

In accordance with IAS39, 'Financial instruments: Recognition and measurement', The Group has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. The directors are satisfied that there are no material embedded derivatives held by the Group.

16. DEFERRED TAX

The following are the major deferred tax liabilities recognised by the Group and movements thereon during the current and prior reporting period.

	Accelerated depreciation £000	Share based payment £000	Other temporary differences £000	Total £000
AT 1 OCTOBER 2006	46	(1)	(10)	35
Income statement charge	18	(1)	(3)	14
AT 30 SEPTEMBER 2007	64	(2)	(13)	49

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2007

17. OBLIGATIONS UNDER FINANCE LEASES

	2007 £000	2006 £000
Minimum lease payments		
within one year	159	131
in the second to fifth years inclusive	74	88
	233	219
Less: future finance charges	(33)	(21)
PRESENT VALUE OF LEASE OBLIGATIONS	200	198
The present value of the finance leases consists of:		
not later than one year	82	107
later than one year and not later than five years	117	91
TOTAL PRESENT VALUE	200	198

It is the Group's policy to lease certain of its computer and office equipment under finance leases. The average lease term is 3 years. All lease obligations are denominated in sterling. The fair value of the Group's lease obligations approximates their carrying amount.

18. OTHER FINANCIAL LIABILITIES

	2007 £000	2006 £000
CURRENT PAYABLES		
Trade payables	251	207
Social security and other taxes	541	447
Accruals and deferred income	633	687
TRADE AND OTHER PAYABLES	1,425	1,341
NON-CURRENT PAYABLES		
Other long term payables	42	48

Trade payables, accruals and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value.

19. PROVISIONS

	Office dilapidations £000
At 1 October 2006	43
Charge for the year	10
AT 30 SEPTEMBER 2007	53
At 1 October 2005	34
Charge for the year	9
At 30 September 2006	43
Included in non-current liabilities	53

The provision for the estimated dilapidation charges that will crystallise at the end of the period of occupancy are being charged to the Income Statement evenly over the period of the full term for each lease that the Group has entered into.

20. SHARE CAPITAL

	2007 £	2006 £
AUTHORISED:		
90,900,000 Ordinary shares of 0.1p each	90,900	90,900
10,000,000 Ordinary non-voting shares of 0.1p each	10,000	10,000
9,100,000 A non-voting shares of 0.1p each	9,100	9,100
	110,000	110,000
ISSUED AND FULLY PAID:		
37,504,688 (2006: 37,425,000) Ordinary shares of 0.1p each	37,505	37,425
75,000 (2006: 75,000) Ordinary non-voting shares of 0.1p each	75	75
1,115,312 (2006: 375,000) A non-voting ordinary shares of 0.1p each	1,115	375
	38,695	37,875

During the year, 820,000 A non-voting shares of 0.1p were issued at 8p per share, following the exercise of options granted under the employee share option scheme, which resulted in a share premium of £64,780. In a separate transaction 79,688 A non-voting shares were converted into ordinary shares.

The Ordinary non-voting shares and A non-voting Ordinary shares have the same rights as the Ordinary shares except for voting.

21. SHARE PREMIUM

	2007 £000	2006 £000
Balance at the start of the year	45	45
Shares issued in the year (note 20)	65	–
BALANCE AT 30 SEPTEMBER 2007	110	45

22. RECONCILIATION OF MOVEMENTS IN EQUITY

	Share capital £000	Share premium £000	Retained earnings £000	Other reserves £000	Total £000
YEAR ENDED 30 SEPTEMBER 2007					
Balance at 1 October 2006	38	45	2,767	4	2,854
Profit for the financial year	–	–	4,472	–	4,472
Dividends paid during the year	–	–	(1,161)	–	(1,161)
Shares issued in the year	1	65	–	4	70
TOTAL EQUITY AT 30 SEPTEMBER 2007	39	110	6,078	8	6,235
YEAR ENDED 30 SEPTEMBER 2006					
Balance at 1 October 2005	38	45	2,442	–	2,525
Profit for the financial year	–	–	3,128	–	3,128
Dividends paid during the year	–	–	(2,803)	–	(2,803)
Shares issued in the year	–	–	–	4	4
TOTAL EQUITY AT 30 SEPTEMBER 2006	38	45	2,767	4	2,854

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2007

23. NOTES TO THE CASH FLOW STATEMENT

	2007 £000	2006 £000
Profit for the year	4,472	3,128
Adjustments for:		
Finance costs	(256)	(73)
Income tax expense	2,080	1,362
Depreciation of plant and equipment	251	222
Amortisation of intangible assets	52	45
Share based payment expense	4	4
Increase in provisions	10	10
Loss on disposal of fixed assets	1	1
Operating cash flows before movements in working capital	6,614	4,699
Increase in receivables	(1,088)	(848)
Increase in payables	76	491
CASH GENERATED FROM OPERATIONS	5,602	4,342

24. OPERATING LEASES

	2007 £000	2006 £000
THE GROUP AS LESSEE		
Minimum lease payments under operating leases recognised as an expense in the year	422	326

At 1 October 2006, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases up to the first break clause at August 2009, which fell due as follows:

	Leasehold property	
	2007 £000	2006 £000
Within one year	417	417
In the second to fifth years inclusive	425	842
	842	1,259

PURCHASE OF GENERATOR

As a condition of the agreement with the landlord, Bruntwood 2000 First Properties Limited, for the Group to purchase a secondary generator located at Trafford House, Chester Road, Manchester, M32 0RS, the landlord bought back the right of the Group to break each of the leases (after five years) which all relate to the offices at Trafford House.

The consideration paid by the landlord was £100,000 and the Group proposes to recognise this amount evenly over the remaining life of the leases, all of which expire in 2014.

On renegotiation of the break clause in each lease during the year the Group had outstanding commitments for future minimum lease payments as follows:

	2007 £000	2006 £000
Within one year	417	417
In the second to fifth years inclusive	1,786	1,786
After five years	720	1,136
	2,923	3,339

Operating lease payments represent rentals payable by the Group for all of its office properties plus sundry plant and equipment. Office property leases are negotiated for an average term of ten years and rentals are fixed for an average of five years.

25. SHARE BASED PAYMENTS

The Group seeks to facilitate significant equity ownership by senior and middle management, principally through a scheme which encourages and assists the purchase of the Group's shares.

Options granted under the Employee Option Scheme vest between nil and ten years. Options are exercisable at a price equal to a generally accepted business model valuation of the Company's shares on the date of the grant. Options are usually forfeited if the employee leaves the Group before the options vest. The recognition and measurement principles in IFRS2 have been applied to all grants after 7 November 2002 which had not vested by 30 September 2005. They have not been applied to any grants prior to 7 November 2002.

The expense for share based payments made in respect of employee services under the Employee Option Scheme are recognised over their respective vesting period. The expense recognised in the year to 30 September 2007 is £4,462 (2006: £3,361), which entirely arises from equity-settled share based payment transactions.

The fair value of equity-settled share options granted is estimated as at the date of grant using the Black/Scholes model, taking into account the terms and conditions upon which the options were granted. The share option valuation is based on an 85% discount rate to the value calculated by using the generally accepted valuation model.

The following table lists the inputs to the model used for the year ended 30 September 2007.

	2007	2006
Fair value of share from generally accepted business model (£)	0.80	0.53
Share option exercise price (£)	0.12	0.08
Expected volatility	25 %	25%
Expected dividend yield	3.95 %	5.11%
Risk free interest rate	5.01 %	4.35%
Expected option life to exercise (months)	11	9

The share price at the date of grant of all options is based on the market value of the shares on that date as calculated by a generally accepted share valuation model. The expected life of the options is based on historical data and not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options grant were incorporated into the measurement of fair value.

RECONCILIATION OF THE MOVEMENT IN THE NUMBER OF SHARE OPTIONS

	2007	2006
Outstanding at the beginning of the year	945,000	–
New grants	250,000	945,000
Exercised options	(820,000)	–
Outstanding at the end of the year	375,000	945,000
Weighted average exercise price (£)	0.11	0.08
Date of issue	15 Jan 07	29 Mar 06

26. RELATED PARTY TRANSACTIONS

The principal subsidiary undertakings at 30 September 2007 are shown in note 14 of these accounts.

The Group has a related party relationship with its subsidiaries and with its directors and members of the Executive Committee (the 'key management personnel'). Transactions between the Group and its directors and key management personnel are discussed below. Details of transactions between the Group and other related parties are also discussed below.

SUBSIDIARIES

Transactions between the ultimate parent company and its subsidiaries, and between its subsidiaries, have been eliminated on consolidation.

KEY MANAGEMENT PERSONNEL

Remuneration of key management personnel is disclosed in note 6. During the year there were no material transactions or balances between the Group and its key management personnel or members of their close family, other than noted below.

DIRECTORS

Remuneration of the directors is disclosed in note 6. During the year there were no material transactions or balances between the Group and its key management personnel or members of their close family, other than noted below.

DIRECTORS LOANS

Mr Andrew Bell operates a loan account with the company. The balance of this loan at 30 September 2007 was £2,090 payable by the company to Mr Bell (2006: £3,155 payable by the company to Mr Bell).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2007

27. COMMITMENTS

	2007 £000	2006 £000
Capital expenditure for which contracts have been placed		
– Leasehold improvements	59	191
– Computer equipment	22	–
	81	191

28. POST BALANCE SHEET EVENTS

On 12 December 2007, the Company completed the acquisition of Lawshare Limited and its subsidiaries. The consideration paid was £2.4m for the entirety of the share capital. This acquisition was financed from the Company's own cash resources.

29. EXPLANATION OF TRANSITION TO IFRS

As stated in note 2, these are the Group's first consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

The accounting policies in note 2 have been applied in preparing the financial statements for the year ended 30 September 2007, the comparative information for the year ended 30 September 2006 and the opening IFRS balance sheet at 1 October 2005 (the Group's date of transition).

In preparing its opening IFRS balance sheet, comparative information for the year ended 30 September 2006 and financial statements for the year ended 30 September 2007, the Group has adjusted amounts reported previously in financial statements prepared in accordance with UK GAAP.

An explanation of how the transition from UK GAAP to IFRS has effected the Group's financial position and financial performance is set out in the narrative that accompanies the tables in notes 30 to 31. The 2006 financial statements used are as restated in accordance with FRS21 'Events after the balance sheet date' adjust for dividends being recognised when paid rather than when proposed.

There are no material differences between the cash flow statement presented under IFRS and the cash flow statement presented under UK GAAP.

30. SUMMARY OF IMPACT OF TRANSITION TO IFRS

	2006 UK GAAP £000	2006 IFRS £000
Group turnover	12,248	12,260
Operating profit	4,252	4,416
Profit before tax	4,517	4,490
Profit attributable to equity shareholders	3,147	3,128
Net Assets	2,572	2,854
Earning per share – basic (pence)	8.31	8.26
Earning per share – diluted (pence)	8.20	8.15

RECONCILIATION OF PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	2006 £000
PROFIT FOR THE FINANCIAL PERIOD UNDER UK GAAP (NOTE 31)	3,147

	Note	
Revenue recognition	a	–
Finance leases	b	(9)
Property lease – rent free periods	c	(5)
Share based payments	d	(4)
Property leases – dilapidations	e	(9)
Deferred tax	f	8
PROFIT FOR THE FINANCIAL PERIOD UNDER IFRS		3,128

	30 September 2006 £000	1 October 2005 £000
--	------------------------------	---------------------------

RECONCILIATION OF MOVEMENT IN NET ASSETS

		30 September 2006 £000	1 October 2005 £000
NET ASSETS UNDER UK GAAP		2,572	2,227
Revenue recognition	a	305	305
Computer Software – reclassification	g	96	47
Computer software – finance leases	b	12	28
Tangible assets – reclassification	g	(96)	(47)
Tangible assets – finance leases	b	211	225
Obligations under finance leases	b	(198)	(218)
Property leases – dilapidations	e	(43)	(34)
Property leases – rent free accrual	c	(16)	(11)
Deferred tax	f	11	3
NET ASSETS UNDER IFRS		2,854	2,525

IMPACT ON GROUP CASH FLOWS

The move from UK GAAP to IFRS does not change any of the cash flows of the Group, although there are presentational changes to the format of the cash flow statement.

NOTES

- This is an adjustment to accrue certain income types in line with IAS 18 so that income is recognised as the related service is provided.
- The criteria for determining the classification of leases per IAS 17 differ to those under UK GAAP, in particular there is no 90% test under IAS 17. Certain IT leases have been identified that satisfy the criteria for recognition as finance leases under IFRS.
- Under UK GAAP property lease incentives are recognised over the period to the first rent review in accordance with UITF 28. Under IFRS, and in particular under SIC 15, these incentives are spread over the life of the lease.
- In accordance with IFRS 2, the fair value of share options granted is charged to the income statement over the vesting period. Full details of the share based payment calculation are included within note 25.
- To reflect the requirements to provide for dilapidations.
- Deferred tax is provided on the IFRS adjustments booked to the 1 October 2005 balance sheet
- Under UK GAAP, computer software costs were either expensed as incurred or capitalised as a tangible fixed asset. Under IFRS, computer software costs associated with the development of an identifiable asset are recognised as an intangible asset and amortised over its estimated life.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 SEPTEMBER 2007

31. RECONCILIATION BETWEEN UK GAAP AND IFRS

RECONCILIATION OF EQUITY AT 1 OCTOBER 2005

	UK GAAP Note £000	Deferred tax f £000	Computer software g £000	Finance Leases b £000	Share based payments d £000	Property Leases c £000	Provisions Office e £000	Revenue recognition a £000	IFRS £000
Assets									
NON-CURRENT ASSETS									
Other intangible assets	–	–	47	28	–	–	–	–	75
Tangible assets	251	–	(47)	225	–	–	–	–	429
	251	–	–	253	–	–	–	–	504
CURRENT ASSETS									
Trade and other receivables	1,756	–	–	–	–	–	–	305	2,061
Cash and cash equivalents	1,776	–	–	–	–	–	–	–	1,776
	3,532	–	–	–	–	–	–	305	3,837
TOTAL ASSETS	3,783	–	–	253	–	–	–	305	4,341
LIABILITIES CURRENT LIABILITIES									
Trade and other payables	(887)	–	–	–	–	37	–	–	(850)
Loans and borrowings	(50)	–	–	–	–	–	–	–	(50)
Obligations under finance leases	–	–	–	(96)	–	–	–	–	(96)
Current tax liabilities	(589)	–	–	–	–	–	–	–	(589)
	(1,526)	–	–	(96)	–	37	–	–	(1,585)
NET CURRENT ASSETS	2,006	–	–	(96)	–	37	–	305	2,252
NON-CURRENT LIABILITIES									
Obligations under finance leases	–	–	–	(122)	–	–	–	–	(122)
Long term provisions	–	–	–	–	–	–	(34)	–	(34)
Other long term payables	–	–	–	–	–	(48)	–	–	(48)
Deferred tax liabilities	(30)	3	–	–	–	–	–	–	(27)
	(30)	3	–	(122)	–	(48)	(34)	–	(231)
TOTAL LIABILITIES	(1,556)	3	–	(218)	–	(11)	(34)	–	(1,816)
NET ASSETS	2,227	3	–	35	–	(11)	(34)	305	2,525
EQUITY									
Share capital	38	–	–	–	–	–	–	–	38
Share premium	45	–	–	–	–	–	–	–	45
Retained earnings	2,144	3	–	35	–	(11)	(34)	305	2,442
TOTAL EQUITY	2,227	3	–	35	–	(11)	(34)	305	2,525

31. RECONCILIATION BETWEEN UK GAAP AND IFRS CONTINUED

RECONCILIATION OF EQUITY AT 30 SEPTEMBER 2006

	UK GAAP Note £000	Deferred tax f £000	Computer software g £000	Finance Leases b £000	Share based payments d £000	Property Leases c £000	Provisions Office c £000	Revenue recognition a £000	IFRS £000
ASSETS									
NON-CURRENT ASSETS									
Other intangible assets	–	–	96	12	–	–	–	–	108
Tangible assets	523	–	(96)	211	–	–	–	–	638
	523	–	–	223	–	–	–	–	746
CURRENT ASSETS									
Trade and other receivables	2,603	–	–	–	–	–	–	305	2,908
Cash and cash equivalents	1,834	–	–	–	–	–	–	–	1,834
	4,437	–	–	–	–	–	–	305	4,742
TOTAL ASSETS	4,960	–	–	223	–	–	–	305	5,488
LIABILITIES									
CURRENT LIABILITIES									
Trade and other payables	(1,373)	–	–	–	–	32	–	–	(1,341)
Obligations under finance leases	–	–	–	(107)	–	–	–	–	(107)
Current tax liabilities	(969)	–	–	–	–	–	–	–	(969)
	(2,342)	–	–	(107)	–	32	–	–	(2,417)
NET CURRENT ASSETS	2,095	–	–	(107)	–	32	–	305	2,325
NON-CURRENT LIABILITIES									
Obligations under finance leases	–	–	–	(91)	–	–	–	–	(91)
Long term provisions	–	–	–	–	–	–	(43)	–	(43)
Other long term payables	–	–	–	–	–	(48)	–	–	(48)
Deferred tax liabilities	(46)	11	–	–	–	–	–	–	(35)
	(46)	11	–	(91)	–	(48)	(43)	–	(217)
TOTAL LIABILITIES	(2,388)	11	–	(198)	–	(16)	(43)	–	(2,634)
NET ASSETS	2,572	11	–	25	–	(16)	(43)	305	2,854
EQUITY									
Share capital	38	–	–	–	–	–	–	–	38
Share premium	45	–	–	–	–	–	–	–	45
Other reserves	–	–	–	–	4	–	–	–	4
Retained earnings	2,489	11	–	25	(4)	(16)	(43)	305	2,767
TOTAL EQUITY	2,572	11	–	25	–	(16)	(43)	305	2,854

COMPANY BALANCE SHEET
FOR THE YEAR ENDED 30 SEPTEMBER 2007

	Notes	2007 £000	2006 £000
FIXED ASSETS			
Investments	3	538	538
CURRENT ASSETS			
Debtors	4	2,087	1,632
Cash at bank and in hand		1,321	126
		3,408	1,758
CREDITORS: amounts falling due within one year	5	(1,335)	(1,273)
NET CURRENT ASSETS		2,073	485
TOTAL ASSETS LESS CURRENT LIABILITIES		2,611	1,023
CAPITAL AND RESERVES			
Called up share capital	6	39	38
Share premium	7	110	45
Profit and loss account	7	2,462	940
SHAREHOLDERS' FUNDS	8	2,611	1,023

The financial statements were approved by the Board of Directors on 25 January 2008 and were signed on its behalf by Stuart Dootson.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2007

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The separate financial statements of the Company are presented as required by the Companies Act 1985. They have been prepared under the historic cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

INVESTMENTS

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

PENSIONS

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

LEASING

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2. PROFIT FOR THE YEAR

As permitted by section 230 of the Companies Act 1985 the Company has elected not to present its own profit and loss account for the year. A J Bell Holdings Limited reported a profit for the year ended 30 September 2007 of £2,683,000 (2006: £1,558,000).

The auditors' remuneration for the audit and other services is disclosed in note 5 to the consolidated financial statements.

3. FIXED ASSET INVESTMENTS

	2007 £000	2006 £000
Subsidiaries	538	538

The Company has investments in the following subsidiaries which principally affect the profits or net assets of the group.

	Country of incorporation or principal business	Principal activity	Holding %
+A J Bell Limited	England	Pension administration	100
A J Bell Trustees Limited	England	Dormant	100
Ken Hovers (Pension Consultants) Limited	England	Dormant	100
+Ashby London Actuarial Services Limited	England	Pension administration	100
Ashby London Trustees Limited	England	Dormant	100
+A J Bell Management Limited	England	Pension administration	100
A J Bell (PP) Trustees Limited	England	Dormant	100
Whitehead Trustees Limited	England	Dormant	100
Ashby London (PP) Trustees Limited	England	Dormant	100
Sippdeal Trustees Limited	England	Dormant	100
Sippdeal Limited	England	Dormant	100
+Fi Software Limited	England	Dormant	100

+ Held directly by A J Bell Holdings Limited.

	£000
COST	
AT 30 SEPTEMBER 2007 AND 1 OCTOBER 2006	841
AMORTISATION	
AT 30 SEPTEMBER 2007 AND 1 OCTOBER 2006	303
NET BOOK VALUE AT 30 SEPTEMBER 2007 AND 1 OCTOBER 2006	538

4. DEBTORS

	2007 £000	2006 £000
Trade debtors	1,549	1,164
Amounts owed by group undertakings	454	440
Prepayments and accrued income	84	28
	2,087	1,632

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

YEAR ENDED 30 SEPTEMBER 2007

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £000	2006 £000
Trade creditors	98	33
Amounts owed to group undertakings	31	3
Taxation and social security	378	346
Corporation tax	428	468
Accruals and deferred income	400	423
	1,335	1,273

6. CALLED-UP SHARE CAPITAL

The Company's share capital is disclosed in note 20 to the consolidated financial statements.

7. RESERVES

	Share Premium £000	Profit and Loss £000
Balance at 30 September 2006	45	940
Retained profit for the financial year	–	2,683
Issue of new shares	65	–
Dividends paid	–	(1,161)
	110	2,462

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2007 £000	2006 £000
Retained profit for the year	2,683	1,556
Dividends	(1,161)	(2,803)
	1,522	(1,247)
Proceeds from issue of new shares	66	–
Net addition to shareholder's funds	1,588	(1,247)
Opening shareholder's funds	1,023	2,270
Closing shareholder's funds	2,611	1,023

9. OPERATING LEASE COMMITMENTS

	Land and buildings		Other	
	2007 £000	2006 £000	2007 £000	2006 £000
Between two and five years	–	–	120	117
In over five years	29	29	–	–
	29	29	120	117

COMPANY INFORMATION

COMPANY NUMBER	SECRETARY AND REGISTERED OFFICE	AUDITORS	BANKERS	SOLICITORS
4503206	Stuart Dootson Trafford House Chester Road Manchester M32 0RS	Deloitte & Touche LLP 2 Hardman Street Manchester M60 2AT	Bank of Ireland plc 41 Castle Street Liverpool L2 9SH Bank of Scotland plc 41 South Gyle Crescent Edinburgh EH12 9BF	Mace & Jones Drury House 19 Water Street Liverpool L2 0RP

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