
Clarion Plc

Directors' Report and Financial Statements

For the year ended 30 April 2011

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Clarion Plc

Company Information

Directors	S P Walker R D Walker
Company secretary	A B C Walker
Company number	01908175
Registered office	Marble Arch King Street Knutsford Cheshire WA16 6HD
Auditors	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD

Clarion Plc

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Clarion Plc

Directors' Report For the year ended 30 April 2011

The directors present their report and the financial statements for the year ended 30 April 2011

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Principal activities and review of business

The principal activity of the company during the year remained that of financial planners and investment managers.

Business review and key performance indicators

The business review has been prepared solely to provide additional information to shareholders as a body to assess the company's strategies and the potential for those strategies to succeed, and it should not be relied upon for any other purpose. It contains forward looking statements that have been made by the directors in good faith based upon the information available at the time of the approval of the annual report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

Operational performance

Our growth has been achieved through the success of our strategy to grow our fee based financial planning work and develop further our discretionary investment management service.

Risks and uncertainties

There are a variety of business risks that can affect a financial management company of the size and complexity of Clarion Plc. The main risk is considered to be that Clarion Plc is a regulated business (regulated by the Financial Services Authority).

We have continued to adopt a detailed review process at all levels of the business to ensure compliance with the regulations of the Financial Services Authority.

Clarion Plc

Directors' Report For the year ended 30 April 2011

Financial instruments

The use of financial instruments is not considered to be material to the company

Sustainable development

We remain committed to managing our business in a socially responsible manner. The management of environment, employees, health and safety and community issues, in respect of our operations is central to the success of the business. Our commitment to quality, health, education and livelihood opportunities for the communities where we operate has been consistent and progressive.

Employees

We would like to take this opportunity to thank our staff for their commitment, energy and enthusiasm in achieving their targets that underpin the delivery of these results.

Shareholders

There have been no changes to shareholders in the year.

Future developments

The company has improved its financial position on last year. Having grown in size in the current year, the company is also looking to make significant progress in the coming financial year.

Results and dividends

The profit for the year, after taxation, amounted to £385,638 (2010 - £349,347).

No dividend was paid during the year (2010 - £nil) and no dividend is recommended.

Directors

The directors who served during the year were:

S P Walker
R D Walker

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Clarion Plc

**Directors' Report
For the year ended 30 April 2011**

Auditors

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf

Ron Walker

.....
R D Walker
Director

Date 27/10/11

Clarion Plc

Independent Auditors' Report to the Shareholders of Clarion Plc

We have audited the financial statements of Clarion Plc for the year ended 30 April 2011, set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Clarion Plc

Independent Auditors' Report to the Shareholders of Clarion Plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Hurst & Company Accountants LLP

Helen Besant-Roberts (Senior statutory auditor)

for and on behalf of

Hurst & Company Accountants LLP

Chartered Accountants &

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

Date *28 October 2011*

Clarion Plc

**Profit and Loss Account
For the year ended 30 April 2011**

	Note	2011 £	2010 £
Turnover	1,2	1,324,726	1,080,948
Administrative expenses		(797,542)	(654,409)
Operating profit	3	527,184	426,539
Profit on disposal of investments		-	456
Interest payable and similar charges	7	(2,015)	(1,433)
Profit on ordinary activities before taxation		525,169	425,562
Tax on profit on ordinary activities	8	(139,531)	(76,215)
Profit for the financial year	16	385,638	349,347

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 9 to 19 form part of these financial statements

Clarion Plc
Registered number: 01908175

Balance Sheet
As at 30 April 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	9		32,168		34,885
Investments	10		1,000		1,000
			<u>33,168</u>		<u>35,885</u>
Current assets					
Debtors	11	1,180,922		761,317	
Investments	12	600		600	
Cash at bank and in hand		212,252		84,835	
		<u>1,393,774</u>		<u>846,752</u>	
Creditors amounts falling due within one year	13	(389,478)		(230,811)	
Net current assets			<u>1,004,296</u>		<u>615,941</u>
Total assets less current liabilities			<u>1,037,464</u>		<u>651,826</u>
Capital and reserves					
Called up share capital	15	50,000		50,000	
Profit and loss account	16	987,464		601,826	
Shareholders' funds	17		<u>1,037,464</u>		<u>651,826</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

Ron Walker
.....
R D Walker
Director

Date 27/01/11

The notes on pages 9 to 19 form part of these financial statements

Clarion Plc

**Cash Flow Statement
For the year ended 30 April 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	18	309,251	202,170
Returns on investments and servicing of finance	19	(2,014)	(1,433)
Taxation		(175,400)	(49,661)
Capital expenditure and financial investment	19	(4,420)	(1,291)
Acquisitions and disposals	19	-	(1,000)
Equity dividends paid		-	(83,333)
Cash inflow before management of liquid resources		127,417	65,452
Management of liquid resources	19	-	3,495
Increase in cash in the year		127,417	68,947

**Reconciliation of Net Cash Flow to Movement in Net Funds/Debt
For the year ended 30 April 2011**

	2011 £	2010 £
Increase in cash in the year	127,417	68,947
Cash inflow from increase in liquid resources	-	(3,495)
Change in net debt resulting from cash flows	127,417	65,452
Profit on sale of current asset investments	-	456
Movement in net debt in the year	127,417	65,908
Net funds at 1 May 2010	85,435	19,527
Net funds at 30 April 2011	212,852	85,435

The notes on pages 9 to 19 form part of these financial statements

Notes to the Financial Statements
For the year ended 30 April 2011

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts

The company recognises fee income when the services are supplied, and commission income is recognised on an accruals basis

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures & fittings	- 15% reducing balance
Office equipment	- 15% reducing balance or 5% straight line
Other fixed assets	- 25% reducing balance

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.7 Joint ventures

The company holds an interest in Rowlands Wealth Management LLP, which is jointly controlled by the company and Rowlands LLP

Clarion Plc

Notes to the Financial Statements
For the year ended 30 April 2011

1. Accounting Policies (continued)

1.8 EMI scheme

The company operates an Enterprise Management Incentive Option Agreement with key employees of the Company. These agreements are intended to constitute the grant of interests for services provided to the Company.

1.9 Financial instruments

The use of financial instruments is not considered to be material to the company.

2 Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	7,137	8,126

4. Auditors' remuneration

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	6,000	8,200
Fees payable to the company's auditor and its associates in respect of Other services relating to taxation	7,030	4,900
All other services	3,250	1,798

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**Notes to the Financial Statements
For the year ended 30 April 2011**

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	392,315	290,132
Social security costs	51,528	43,249
Other pension costs	8,660	7,198
	<u>452,503</u>	<u>340,579</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No
Administration	<u>10</u>	<u>9</u>

6. Directors' remuneration

	2011 £	2010 £
Emoluments	<u>155,593</u>	<u>115,556</u>
Company pension contributions to defined contribution pension schemes	<u>4,513</u>	<u>3,918</u>

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

7. Interest payable

	2011 £	2010 £
On bank loans and overdrafts	246	1,433
Other interest payable	1,769	-
	<u>2,015</u>	<u>1,433</u>

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**Notes to the Financial Statements
For the year ended 30 April 2011**

8. Taxation

	2011	2010
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	132,839	102,897
Adjustments in respect of prior periods	(468)	-
Total current tax	<u>132,371</u>	<u>102,897</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	7,160	(26,682)
Tax on profit on ordinary activities	<u>139,531</u>	<u>76,215</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - *higher than*) the standard rate of corporation tax in the UK of 28% (2010 - 28%) The differences are explained below

	2011	2010
	£	£
Profit on ordinary activities before tax	525,169	425,562
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	147,047	119,157
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	1,319	827
Capital allowances for year in excess of depreciation	(7,160)	26,682
Marginal relief	(16,892)	(18,653)
Rate changes	7,298	(25,116)
Adjustments to tax charge in respect of prior periods	(468)	-
Other differences leading to an increase (decrease) in the tax charge	1,227	-
Current tax charge for the year (see note above)	<u>132,371</u>	<u>102,897</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

Clarion Plc

Notes to the Financial Statements
For the year ended 30 April 2011

9. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost			
At 1 May 2010	77,937	48,335	126,272
Additions	-	4,420	4,420
At 30 April 2011	77,937	52,755	130,692
Depreciation			
At 1 May 2010	56,549	34,838	91,387
Charge for the year	2,807	4,330	7,137
At 30 April 2011	59,356	39,168	98,524
Net book value			
At 30 April 2011	18,581	13,587	32,168
<i>At 30 April 2010</i>	<i>21,388</i>	<i>13,497</i>	<i>34,885</i>

10. Fixed asset investments

	Investment in joint ventures £
Cost or valuation	
At 1 May 2010 and 30 April 2011	1,000
Net book value	
At 30 April 2011	1,000
<i>At 30 April 2010</i>	<i>1,000</i>
Joint ventures	
Name	Country of incorporation
Rowlands Wealth Management LLP	United Kingdom
	Holding
	50%
	Principal activity
	Financial planners and wealth management

Clarion Plc

**Notes to the Financial Statements
For the year ended 30 April 2011**

11. Debtors

	2011	2010
	£	£
Due after more than one year		
Deferred tax asset (see note 14)	94,871	102,031
Due within one year		
Amounts owed by undertakings in which the company has a participating interest	-	1,500
Other debtors	1,047,735	639,290
Prepayments and accrued income	38,316	18,496
	<u>1,180,922</u>	<u>761,317</u>

Included within other debtors due within one year is a loan to R D Walker, a director, amounting to £560,456 (2010 - £386,592) No interest is charged upon this balance

12. Current asset investments

	2011	2010
	£	£
Listed investments	600	600

Listed investments

The market value of the listed investments at 30 April 2011 was £728 (2010 £nil)

13. Creditors:

Amounts falling due within one year

	2011	2010
	£	£
Corporation tax	269,883	175,868
Social security and other taxes	26,010	29,059
Other creditors	18,721	5,793
Accruals and deferred income	74,864	20,091
	<u>389,478</u>	<u>230,811</u>

Clarion Plc

Notes to the Financial Statements
For the year ended 30 April 2011

14. Deferred tax asset

	2011 £	2010 £
At beginning of year	102,031	75,349
(Charge for)/released during year	(7,160)	26,682
At end of year	<u>94,871</u>	<u>102,031</u>

The deferred tax asset is made up as follows

	2011 £	2010 £
Accelerated capital allowances	6,050	6,654
Other temporary differences	(100,921)	(108,685)
	<u>(94,871)</u>	<u>(102,031)</u>

Clarion Plc

Notes to the Financial Statements
For the year ended 30 April 2011

15. Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £0.05 each	50,000	50,000

As at 31 January 2003 and 3 January 2007, the Company entered into Enterprise Management Incentive Option Agreements with key employees of the Company. These agreements are intended to constitute the grant of interests for services provided to the Company. Under the terms of the agreements a total of 2,500 units and 5,000 units have been granted respectively to employees of the Company. The units vest on 30 January 2013 and 2 January 2017 respectively. No units shall vest after termination of employment. Upon termination all non vested units are forfeited.

As at 30 April 2011 the following units, granted under the Enterprise Management Incentive Option Agreement were outstanding:

	Number of units 2010	Vested	Number of units 2011	Price payable per unit in pence
31 January 2003	2,500	-	2,500	-
3 January 2007	5,000	-	5,000	-
Total	7,500	-	7,500	-

The exercise price of the shares is deemed to be the market value at this time, therefore providing no benefit to the relevant employees.

Based upon this measurement of the compensation cost, the Enterprise Management Incentive Option Agreement is considered to be immaterial on the results for the year and as a result no provision has been made.

16. Reserves

	Profit and loss account £
At 1 May 2010	601,826
Profit for the year	385,638
At 30 April 2011	987,464

Clarion Plc

**Notes to the Financial Statements
For the year ended 30 April 2011**

17. Reconciliation of movement in shareholders' funds

	2011	2010
	£	£
Opening shareholders' funds	651,826	302,479
Profit for the year	385,638	349,347
	<u>1,037,464</u>	<u>651,826</u>
Closing shareholders' funds	<u>1,037,464</u>	<u>651,826</u>

18. Net cash flow from operating activities

	2011	2010
	£	£
Operating profit	527,184	426,539
Depreciation of tangible fixed assets	7,137	8,126
Loss on disposal of tangible fixed assets	-	1,539
Increase in debtors	(291,222)	(291,615)
Decrease/(increase) in amounts owed by joint ventures	1,500	(1,500)
Increase in creditors	64,652	59,081
	<u>309,251</u>	<u>202,170</u>
Net cash inflow from operating activities	<u>309,251</u>	<u>202,170</u>

19. Analysis of cash flows for headings netted in cash flow statement

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest paid	(2,014)	(1,433)
	<u>(2,014)</u>	<u>(1,433)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,420)	(1,291)
	<u>(4,420)</u>	<u>(1,291)</u>
Acquisitions and disposals		
Purchase of share in joint venture	-	(1,000)
	<u>-</u>	<u>(1,000)</u>
Management of liquid resources		
Sale of short term listed investments	-	3,495
	<u>-</u>	<u>3,495</u>

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**Notes to the Financial Statements
For the year ended 30 April 2011**

20. Analysis of changes in net debt

	1 May 2010	Cash flow	Other non-cash changes	30 April 2011
	£	£	£	£
Cash at bank and in hand	84,835	127,417	-	212,252
Liquid resources:				
Current asset investments	600	-	-	600
Net funds	85,435	127,417	-	212,852

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,660 (2010 - £7,198). Contributions totalling £nil (2010 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 30 April 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2011	Land and buildings 2010	2011	Other 2010
	£	£	£	£
Expiry date:				
After more than 5 years	-	-	160	-

23. Transactions with Directors

Included within debtors is an amount due from R D Walker, a director, of £560,456 (2010 £386,592). This relates to personal expenditure paid by the company on behalf of that director. The maximum amount outstanding during the year was £560,456 (2010 £386,592). No interest has been charged on the loan.

Rent of £40,000 (2010 £40,000) is charged in the accounts in respect of the company's occupation of premises owned by R D Walker and his wife.

Clarion Plc

**Notes to the Financial Statements
For the year ended 30 April 2011**

24 Related party transactions

Included within other creditors is a balance of £18,720 (2010 £5,793) due to Techline, a partnership of R D Walker, a director, and his wife. During the year fees of £40,000 (2010 £40,000) were charged by Techline to the company.

The company has an investment in Rowlands Wealth Management LLP. Included within other debtors is a balance of £nil (2010 £1,500) due from Rowlands Wealth Management LLP, relating to a cash flow loan made to that partnership during the year.

Included within other debtors is an amount due from ABC Walker, a shareholder, of £277,733 (2010 £180,195). This relates to personal expenditure paid by the company on behalf of that shareholder. No interest has been charged on the loan.

25. Controlling party

The company is controlled by R D Walker, by virtue of his on-going holding in the voting share capital.