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**Clarion Plc**

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**Directors' Report and Financial Statements**

**For the year ended 30 April 2012**

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**Clarion Plc**

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**Company Information**

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

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**Clarion Plc**

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## Clarion Plc

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### Directors' Report For the year ended 30 April 2012

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The directors present their report and the financial statements for the year ended 30 April 2012

#### 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.

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## Clarion Plc

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### Directors' Report For the year ended 30 April 2012

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#### 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 is looking to make significant progress in the coming financial year.

#### Results and dividends

The loss for the year, after taxation, amounted to £280,296 (2011 - profit £385,638).

No dividend was paid during the year (2011 £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.

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**Clarion Plc**

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**Directors' Report**  
**For the year ended 30 April 2012**

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**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*

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**R D Walker**  
Director

Date 12/10/12

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## **Clarion Plc**

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### **Independent Auditors' Report to the Shareholders of Clarion Plc**

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We have audited the financial statements of Clarion Plc for the year ended 30 April 2012, set out on pages 6 to 18. 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 2012 and of its loss 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.

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**Clarion Plc**

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**Independent Auditors' Report to the Shareholders of Clarion Plc**

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**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 *19 October 2012*



**Clarion Plc**

**Profit and Loss Account  
For the year ended 30 April 2012**

	Note	2012 £	2011 £
<b>Turnover</b>	1,2	<b>1,571,308</b>	<b>1,324,726</b>
Administrative expenses		<u>(1,949,140)</u>	<u>(797,542)</u>
<b>Operating (loss)/profit</b>	3	<b>(377,832)</b>	<b>527,184</b>
Interest receivable and similar income		99	-
Interest payable and similar charges	7	<u>-</u>	<u>(2,015)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(377,733)</b>	<b>525,169</b>
Tax on (loss)/profit on ordinary activities	8	<u>97,437</u>	<u>(139,531)</u>
<b>(Loss)/profit for the financial year</b>		<u><b>(280,296)</b></u>	<u><b>385,638</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

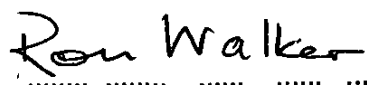
The notes on pages 9 to 18 form part of these financial statements

**Clarion Plc**  
Registered number: 01908175

**Balance Sheet**  
**As at 30 April 2012**

	Note	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Tangible assets	9		37,110		32,168
Investments	10		1,000		1,000
			<u>38,110</u>		<u>33,168</u>
<b>Current assets</b>					
Debtors	11	237,856		1,180,922	
Investments	12	600		600	
Cash at bank and in hand		615,016		212,252	
		<u>853,472</u>		<u>1,393,774</u>	
<b>Creditors</b> amounts falling due within one year	13	(134,414)		(389,478)	
<b>Net current assets</b>			<u>719,058</u>		<u>1,004,296</u>
<b>Net assets</b>			<u>757,168</u>		<u>1,037,464</u>
<b>Capital and reserves</b>					
Called up share capital	15		50,000		50,000
Profit and loss account	16		707,168		987,464
<b>Shareholders' funds</b>	17		<u>757,168</u>		<u>1,037,464</u>

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



**R D Walker**  
Director

Date 12/10/12

The notes on pages 9 to 18 form part of these financial statements

**Clarion Plc**

**Cash Flow Statement  
For the year ended 30 April 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	18	435,955	309,251
Returns on investments and servicing of finance	19	99	(2,014)
Taxation		(19,707)	(175,400)
Capital expenditure and financial investment	19	(13,583)	(4,420)
<b>Increase in cash in the year</b>		<b>402,764</b>	<b>127,417</b>

**Reconciliation of Net Cash Flow to Movement in Net Funds/Debt  
For the year ended 30 April 2012**

	2012 £	2011 £
Increase in cash in the year	402,764	127,417
<b>Movement in net debt in the year</b>	<b>402,764</b>	<b>127,417</b>
Net funds at 1 May 2011	212,852	85,435
<b>Net funds at 30 April 2012</b>	<b>615,616</b>	<b>212,852</b>

The notes on pages 9 to 18 form part of these financial statements .

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## Clarion Plc

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### Notes to the Financial Statements For the year ended 30 April 2012

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#### 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

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 Current asset investments

Current asset investments are shown at cost

##### 1.6 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

##### 1.7 Pensions

The company contributes to personal pension plans. The pension charge represents the amounts payable by the company to the personal schemes during the year

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## Clarion Plc

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### Notes to the Financial Statements For the year ended 30 April 2012

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#### 1. Accounting Policies (continued)

##### 1.8 Joint ventures

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

##### 1.9 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.

##### 1.10 Financial instruments

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

##### 1.11 Employer Financed Retirement Benefit Scheme

During the year, the company established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, the Clarion Plc Employer Financed Retirement Benefit Scheme ("The Scheme").

In accordance with UITF abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements" the Company does not include the assets and liabilities of The Scheme on its balance sheet to the extent that it considers that it will not retain any economic benefit from the assets of The Scheme and will not have control of the rights or other access to those present economic benefits.

#### 2 Turnover

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

All turnover arose within the United Kingdom.

#### 3 Operating (loss)/profit

The operating (loss)/profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	8,641	7,137
Contribution to employer financed retirement benefit scheme	1,101,465	-

During the year, the company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefit of the company's officers, employees and their wider families, the Clarion Plc Employer Financed Retirement Benefit Scheme.

During the year the Company contributed to the Trustees of The Scheme assets valued at £1,101,465.

**Clarion Plc**

**Notes to the Financial Statements  
For the year ended 30 April 2012**

**4. Auditors' remuneration**

	2012 £	2011 £
Fees payable to the company's auditor for the audit of the company's annual accounts	6,000	4,500
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	<u>3,250</u>	<u>1,798</u>

**5. Staff costs**

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	421,591	392,315
Social security costs	66,253	51,528
Other pension costs	9,110	8,660
	<u>496,954</u>	<u>452,503</u>

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

	2012 No	2011 No
Administration	<u>11</u>	<u>10</u>

**6. Directors' remuneration**

	2012 £	2011 £
Emoluments	<u>169,414</u>	<u>155,593</u>
Company pension contributions to defined contribution pension schemes	<u>4,747</u>	<u>4,513</u>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

**Clarion Plc**

**Notes to the Financial Statements  
For the year ended 30 April 2012**

**7. Interest payable**

	2012 £	2011 £
On bank loans and overdrafts	-	246
Other interest payable	-	1,769
	<u>-</u>	<u>2,015</u>

**8. Taxation**

	2012 £	2011 £
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	132,839
Adjustments in respect of prior periods	(99,185)	(468)
<b>Total current tax</b>	<u>(99,185)</u>	<u>132,371</u>
<b>Deferred tax</b> (see note 14)		
Origination and reversal of timing differences	1,748	7,160
<b>Tax on (loss)/profit on ordinary activities</b>	<u>(97,437)</u>	<u>139,531</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	<u>(377,733)</u>	<u>525,169</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(98,211)	147,047
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	1,903	1,319
Capital allowances for year in excess of depreciation	(1,748)	(7,160)
Marginal relief	-	(16,892)
Rate changes	-	7,298
Adjustments to tax charge in respect of prior periods	-	(468)
Other differences leading to an increase (decrease) in the tax charge	(1,129)	1,227
<b>Current tax (credit)/charge for the year</b> (see note above)	<u>(99,185)</u>	<u>132,371</u>

**Clarion Plc**

**Notes to the Financial Statements  
For the year ended 30 April 2012**

**8. Taxation (continued)**

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges

**9. Tangible fixed assets**

	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 May 2011	77,937	52,755	130,692
Additions	-	13,583	13,583
At 30 April 2012	<u>77,937</u>	<u>66,338</u>	<u>144,275</u>
<b>Depreciation</b>			
At 1 May 2011	59,356	39,168	98,524
Charge for the year	2,671	5,970	8,641
At 30 April 2012	<u>62,027</u>	<u>45,138</u>	<u>107,165</u>
<b>Net book value</b>			
At 30 April 2012	<u>15,910</u>	<u>21,200</u>	<u>37,110</u>
<i>At 30 April 2011</i>	<u>18,581</u>	<u>13,587</u>	<u>32,168</u>

**10. Fixed asset investments**

	Investment in joint ventures £
<b>Cost or valuation</b>	
At 1 May 2011 and 30 April 2012	<u>1,000</u>
<b>Net book value</b>	
At 30 April 2012	<u>1,000</u>
<i>At 30 April 2011</i>	<u>1,000</u>

**Joint ventures**

Name	Country of incorporation	Holding	Principal activity
Rowlands Wealth Management LLP	United Kingdom	50%	Financial planners and wealth management



**Clarion Plc**

**Notes to the Financial Statements  
For the year ended 30 April 2012**

**11. Debtors**

	2012 £	2011 £
<b>Due after more than one year</b>		
Deferred tax asset (see note 14)	93,123	94,871
<b>Due within one year</b>		
Other debtors	104,048	1,047,735
Prepayments and accrued income	40,685	38,316
	<u>237,856</u>	<u>1,180,922</u>

**12. Current asset investments**

	2012 £	2011 £
Listed investments	<u>600</u>	<u>600</u>

**Listed investments**

The market value of the listed investments at 30 April 2012 was £705 (2011 £728)

**13. Creditors:  
Amounts falling due within one year**

	2012 £	2011 £
Corporation tax	13,948	269,883
Social security and other taxes	33,156	26,010
Other creditors	8,599	18,721
Accruals and deferred income	78,711	74,864
	<u>134,414</u>	<u>389,478</u>

**14 Deferred tax asset**

	2012 £	2011 £
At beginning of year	94,871	102,031
Charged for year	(1,748)	(7,160)
	<u>93,123</u>	<u>94,871</u>

**Clarion Plc**

**Notes to the Financial Statements  
For the year ended 30 April 2012**

**14 Deferred tax asset (continued)**

The deferred tax asset is made up as follows

	2012 £	2011 £
Accelerated capital allowances	7,798	6,050
Other temporary differences	(100,921)	(100,921)
	<u>(93,123)</u>	<u>(94,871)</u>

**15 Share capital**

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
1,000,000 Ordinary shares of £0.05 each	<u>50,000</u>	<u>50,000</u>

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 2012 the following units, granted under the Enterprise Management Incentive Option Agreement were outstanding

	Number of units 2011	Vested	Number of units 2012	Price payable per unit in pence
31 January 2003	2,500	-	2,500	-
3 January 2007	5,000	-	5,000	-
<b>Total</b>	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>

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.

**Clarion Plc**

**Notes to the Financial Statements  
For the year ended 30 April 2012**

**16. Reserves**

	<b>Profit and loss account £</b>
At 1 May 2011	<b>987,464</b>
Loss for the year	<b>(280,296)</b>
At 30 April 2012	<b>707,168</b>

**17. Reconciliation of movement in shareholders' funds**

	<b>2012 £</b>	<b>2011 £</b>
Opening shareholders' funds	<b>1,037,464</b>	<b>651,826</b>
(Loss)/profit for the year	<b>(280,296)</b>	<b>385,638</b>
Closing shareholders' funds	<b>757,168</b>	<b>1,037,464</b>

**18. Net cash flow from operating activities**

	<b>2012 £</b>	<b>2011 £</b>
Operating (loss)/profit	<b>(377,832)</b>	<b>527,184</b>
Depreciation of tangible fixed assets	<b>8,641</b>	<b>7,137</b>
Decrease/(increase) in debtors	<b>804,276</b>	<b>(291,222)</b>
Decrease in amounts owed by joint ventures	<b>10,123</b>	<b>1,500</b>
(Decrease)/increase in creditors	<b>(9,253)</b>	<b>64,652</b>
Net cash inflow from operating activities	<b>435,955</b>	<b>309,251</b>

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

	<b>2012 £</b>	<b>2011 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>99</b>	<b>-</b>
Interest paid	<b>-</b>	<b>(2,014)</b>
Net cash inflow/(outflow) from returns on investments and servicing of finance	<b>99</b>	<b>(2,014)</b>

**Clarion Plc**

**Notes to the Financial Statements  
For the year ended 30 April 2012**

**19 Analysis of cash flows for headings netted in cash flow statement (continued)**

	2012 £	2011 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>(13,583)</u>	<u>(4,420)</u>

**20 Analysis of changes in net debt**

	1 May 2011 £	Cash flow £	Other non-cash changes £	30 April 2012 £
Cash at bank and in hand	212,252	402,764	-	615,016
<b>Liquid resources</b>				
Current asset investments	600	-	-	600
<b>Net funds</b>	<u>212,852</u>	<u>402,764</u>	<u>-</u>	<u>615,616</u>

**21. Operating lease commitments**

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £	2011 £	2012 £	Other 2011 £
<b>Expiry date:</b>				
After more than 5 years	-	-	-	160

**22. Transactions with Directors**

Included within debtors is an amount due from R D Walker, a director, of £6,439 (2011 £560,456) This relates to personal expenditure paid by the company on behalf of that director No interest has been charged on the loan

Rent of £40,000 (2011 £40,000) is charged in the accounts in respect of the company's occupation of premises owned by R D Walker and his wife

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**Clarion Plc**

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**Notes to the Financial Statements  
For the year ended 30 April 2012**

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**23. Related party transactions**

Included within other creditors is a balance of £8,598 (2011 £18,721) due to Techline, a partnership of R D Walker, a director, and his wife. During the year, fees of £40,000 (2011 £40,000) were charged by Techline to the company.

Included within other debtors is an amount due from ABC Walker, a shareholder, of £25,105 (2011 £277,733). This relates to personal expenditure paid by the company on behalf of that shareholder. No interest has been charged on the loan.

**24. Controlling party**

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