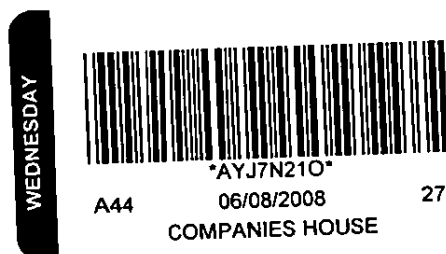




CHEVIOT FINANCIAL PLANNING LIMITED

Registered No. 2670496

Report and Accounts For the Year Ended 31 December 2007



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Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2007.

Principal Activities

During the year the company has traded as an Independent Financial Adviser. The company is authorised and regulated by the Financial Services Authority under firm number 430506. The company operates within the permissions granted under Part IV of the Financial Services and Markets Act 2000.

Business Review

The company had turnover of £424,184 in the year (2006: £420,218), which produced a profit before tax of £61,519 (2006: profit £21,833). The Directors believe they will be able to maintain profitability into the future.

Directors and Directors' Interests

The directors who held office during the year were as follows:-

Elspeth McKinnon
Guy Skidmore (Managing Director)
Jeremy Weeks (resigned 15 November 2007)
Richard Rimmington
John Dungay
George Harrison (appointed 22 February 2007)

None of the directors who held office as at 31 December 2007 had any disclosable interest in the shares of the company.

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 financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required:-

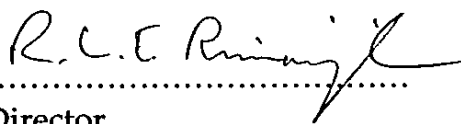
- to select suitable accounting policies and then apply them consistently;
- to make judgements and estimates that are reasonable and prudent;
- to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution for the re-appointment of Horwath Clark Whitehull LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board


.....
Director


.....
Date

Cheviot Financial Planning Limited
Cheviot House
70 Baxter Avenue
Southend on Sea
Essex SS2 6JA

Independent Auditors' Report

We have audited the financial statements of Cheviot Financial Planning Limited for the year ended 31 December 2007 which are set out pages on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the 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.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants & Registered Auditors
St Bride's House,
Salisbury Square
London EC4Y 8 EH, UK

Date 23 July 2008

Profit and Loss Account

for the year ending 31 December 2007

	<i>Note</i>	2007 £	2006 £
Turnover	1	424,184	420,218
Administrative expenses		(385,989)	(408,282)
Other operating income		23,324	9,897
Profit on ordinary activities before taxation	2	61,519	21,833
Tax on profit on ordinary activities	5	(2,775)	(1,995)
Profit for the financial year after taxation	2,10	58,744	19,838

Statement of Total Recognised Gains and Losses

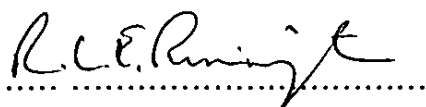
The only recognised gain in the year ended 31 December 2007 was the profit for the financial year of £58,744 (2006: profit £19,838).

Balance Sheet

as at 31 December 2007

	Note	2007 £	2006 £
Fixed Assets	6	1,029	1,771
Current Assets			
Debtors	7	70,477	3,462
Treasury Deposits		200,000	300,000
Cash at bank and in-hand		58,173	18,985
		328,650	322,447
Creditors : Amounts falling due within one year	8	56,420	109,703
Net current assets		272,230	212,744
Net Assets		273,259	214,515
Capital and reserves			
Called up share capital	9	1,100,000	1,100,000
Profit and loss account	10	(826,741)	(885,485)
Shareholders' Funds	11	273,259	214,515

These financial statements were approved by the Board of Directors and signed on its behalf by:



Director

16 July 2008

Date

The notes on pages 7 to 11 form part of these accounts.

Notes to the Accounts

(forming part of the financial statements)

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared for the year ended 31 December 2007 in accordance with the Financial Reporting Standard for Smaller Entities (Effective January 2007)

Turnover

Turnover represents the amounts earned in the period net of VAT

Fixed assets and depreciation

Depreciation is charged on a straight line basis as shown below:-

Office equipment:	20.0%
Computer equipment:	33.3%

Operating leases

Rental payments for assets held under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

The pension costs represent a recharge from The Cheviot Trust of contributions paid into The Cheviot Trust's Money Purchase Scheme and Final Salary Schemes and to Group Personal Pension Plans. Contributions are charged to the profit and loss account on an accruals basis.

2. Profit for the financial year

The profit for the financial year is after charging:

	2007	2006
	£	£
Depreciation	742	1,246
Auditors remuneration and expenses	5,346	4,759

A significant proportion of the administrative expenses derive from recharges of costs of the company paid by The Cheviot Trust.

3. Directors' emoluments

The aggregate amount of Directors' remuneration paid directly by the company is £2,985 (2006: nil).

Charges made by The Cheviot Trust for work performed by Directors amounted to £87,305 (2006: £63,411).

4. Staff numbers and cost

The average number of persons employed by the company during the year, analysed by category, was as follows:-

	2007	2006
Management and Sales	2	2
Administration	4	4
	6	6

The aggregate payroll cost of these persons, together with the charges for work performed by staff of The Cheviot Trust, was as follows:-

	2007	2006
	£	£
Salaries	224,070	259,435
Social security costs	31,282	26,924
Pension costs	14,960	15,179
	270,312	301,538

5. Tax on profit on ordinary activities

The Corporation Tax charge for the year was £2,775 (2006: £1,995)

6. Fixed assets

<i>Cost</i>	£
At 1 January 2007	11,957
Additions	-
<u>At 31 December 2007</u>	<u>11,957</u>
<i>Depreciation</i>	
At 1 January 2007	10,186
Charge for the year	742
<u>At 31 December 2007</u>	<u>10,928</u>
<i>Net book value</i>	
<u>At 31 December 2007</u>	<u>1,029</u>
<u>At 31 December 2006</u>	<u>1,771</u>

7. Debtors

	2007	2006
	£	£
Trade debtors	23,347	35
Other debtors	6,130	277
Accrued income	41,000	3,150
<u></u>	<u>70,477</u>	<u>3,462</u>

Debtors include trade debtors of nil (2006: nil) which are due after more than one year.

8. Creditors: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	8,218	61,295
Amounts due to parent undertaking	14,923	737
Accruals and deferred income	25,246	38,437
Taxation and social security costs	8,033	9,234
	56,420	109,703

9. Share Capital

	2007	2006
	£	£
Authorised ordinary shares of £1 each	1,100,000	1,100,000
Allotted, issued and fully paid up ordinary shares of £1 each	1,100,000	1,100,000

10. Profit and loss account

	2007	2006
	£	£
Retained loss at 1 January	(885,485)	(905,323)
Profit for the financial year	58,744	19,838
Retained loss at 31 December	(826,741)	(885,485)

11. Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit for the year	58,744	19,838
Opening shareholders' funds	214,515	194,677
Closing shareholders' funds	273,259	214,515

12. Pension scheme

The pension cost for the year was £14,960 (2006: £15,179) being the recharge from The Cheviot Trust of contributions paid into the Cheviot Trust Money Purchase Scheme, Final Salary Scheme and to personal pension arrangements in respect of services provided by its staff to the company.

Particulars of the actuarial valuation for The Cheviot Trust are contained in the accounts of The Cheviot Trust.

13. Ultimate parent undertaking

The company is a subsidiary undertaking of the Money Purchase Scheme of The Cheviot Trust, a UK exempt approved pension scheme. The results of the company are consolidated in the accounts of The Cheviot Trust, which may be obtained from the Company Secretary at:

The Cheviot Trust
Cheviot House
70 Baxter Avenue
Southend-on-Sea
Essex SS2 6JA

www.cheviottrust.com
enquiries@cheviottrust.com

Telephone. 01702 354024
Fax: 01702 354364

14. Related Parties

The company is controlled by the Money Purchase Scheme of The Cheviot Trust, its parent undertaking. During 2007 £314,268 of the total administrative expenses of £385,989 were recharged from The Cheviot Trust (2006: £326,669 of total of £408,282). Balances with this parent undertaking are disclosed in the relevant notes to the accounts, as appropriate.

The Trustee of the Money Purchase Scheme of The Cheviot Trust is Cheviot Trustees Limited, full details of which can be found in the report and accounts for The Cheviot Trust.