



CHEVIOT FINANCIAL PLANNING LIMITED

Registered No. 2670496

Report and Accounts For the Year Ended 31 December 2008



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Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2008.

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 £228,880 in the year (2007: £424,184), which produced a loss before tax of £114,335 (2007: profit £61,519).

The Registered Individual was absent from the office due to ill health from 31 March 2009 until he resigned from the company on 12 June 2009. The company did not undertake regulated work in his absence but appointed a locum who transacted any business through his own regulated employer.

The Directors have been considering the future of the company in light of the disappointing results for 2008. They have been consulting with the shareholder, Cheviot Trustees Limited. After due consideration, they concluded that the best way forward was to sell the company and enter into an introducer agreement for the provision of IFA services from a third party in future. The financial statements have therefore been prepared on a non-going concern basis.

Heads of agreement were signed with Price Bailey LLP on 30 September 2009 and it is anticipated that the sale will be completed within the next month.

Directors and Directors' Interests

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

Elspeth McKinnon
Guy Skidmore (Managing Director) resigned 12 June 2009 with immediate effect
Richard Rimmington
John Dungay
George Harrison

None of the directors who held office as at 31 December 2008 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 which 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 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

Given the imminent sale of the Company, it is not appropriate to re-appoint the current auditors of the company as this will be a matter for the purchasers.

By order of the Board


.....
Director

.....11/11/09.....
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 2008 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.

The Directors have prepared the financial statements on a non-going concern basis following their decision to sell the company.

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 2008 and of its loss 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 *16 November 2009*

Profit and Loss Account

for the year ending 31 December 2008

	<i>Note</i>	2008 £	2007 £
Turnover	1	228,880	424,184
Administrative expenses		(349,720)	(385,989)
Other operating income		6,505	23,324
(Loss)/profit on ordinary activities before taxation	2	(114,335)	61,519
Tax on profit on ordinary activities	5	-	(2,775)
(Loss)/profit for the financial year after taxation	2,10	(114,335)	58,744

Statement of Total Recognised Gains and Losses

The only recognised gain or loss in the year ended 31 December 2008 was the loss for the financial year of £114,335 (2007: profit £58,744).

Balance Sheet

as at 31 December 2008

	<i>Note</i>	2008 £	2007 £
Fixed Assets	6	1,680	1,029
Current Assets			
Debtors	7	55,873	70,477
Treasury Deposits		-	200,000
Cash at bank and in-hand		125,592	58,173
		181,465	328,650
Creditors : Amounts falling due within one year	8	24,221	56,420
Net current assets		157,244	272,230
Net Assets		158,924	273,259
Capital and reserves			
Called up share capital	9	1,100,000	1,100,000
Profit and loss account	10	(941,076)	(826,741)
Shareholders' Funds	11	158,924	273,259

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

.....
Director

..... 11/11/09
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 2008 under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective January 2007). The financial statements have not been prepared on a going concern basis as the Directors intend to sell the company. Appropriate disclosures have therefore been made.

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:

	2008	2007
	£	£
Depreciation	598	742
Auditors remuneration and expenses	6,044	5,346

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 £1,759 (2007: £2,985).

Charges made by The Cheviot Trust for work performed by Directors amounted to £81,888 (2007: £87,305).

4. Staff numbers and cost

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

	2008	2007
Management and Sales	2	2
Administration	3	4
	5	6

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

	2008	2007
	£	£
Salaries	195,691	224,070
Social security costs	21,220	31,282
Pension costs	12,856	14,960
Healthcare	3,668	2,492
Permanent Health Insurance	2,190	2,898
	235,625	275,702

5. Tax on profit on ordinary activities

The Corporation Tax charge for the year was £0 (2007: £2,775)

6. Fixed assets

Office equipment and computer equipment

<i>Cost</i>	<i>£</i>
At 1 January 2008	11,957
Additions	1,249
At 31 December 2008	13,206

<i>Depreciation</i>	
At 1 January 2008	10,928
Charge for the year	598
At 31 December 2008	11,526

Net book value

At 31 December 2008	1,680
At 31 December 2007	1,029

7. Debtors

	2008	2007
	<i>£</i>	<i>£</i>
Trade debtors	36,925	23,347
Other debtors	5,897	6,130
Amounts due from parent undertaking	4,285	-
Accrued income	8,766	41,000
	55,873	70,477

Debtors include trade debtors of nil (2007: nil) which are due after more than one year.

8. Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	1,240	8,218
Amounts due to parent undertaking	-	14,923
Accruals and deferred income	18,072	25,246
Taxation and social security costs	4,909	8,033
	24,221	56,420

9. Share Capital

	2008	2007
	£	£
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

	2008	2007
	£	£
Retained loss at 1 January	(826,741)	(885,485)
(Loss)/profit for the financial year	(114,335)	58,744
Retained loss at 31 December	(941,076)	(826,741)

11. Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
(Loss)/profit for the year	(114,335)	58,744
Opening shareholders' funds	273,259	214,515
Closing shareholders' funds	158,924	273,259

12. Pension scheme

The pension cost for the year was £12,856 (2007: £14,960) 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
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Fax: 01702 354364

14. Related Parties

The company is controlled by the Money Purchase Scheme of The Cheviot Trust, its parent undertaking. During 2008 £294,233 of the total administrative expenses of £349,720 were recharged from The Cheviot Trust (2007: £314,268 of total of £358,989). 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.